FBIS DAILY REPORT

CONTENTS

Latin America

1 Jun 87 FBIS-LAT-87-104 i

CARIBBEAN

CUBA

Del Pino's Desertion Causes 'Total Surprise' [AFP] A 1
GRANMA Reports A 2
Del Pino's Former Wife Requests Son's Extradition A 3
Speaks on Situation A 3
U.S. Promoting Fundamentalist Sects in Area A 4
Malmierca Comments on Visit to Iran, Signs Protocol A 5
Arrives in Cyprus [Nicosia] A 5
South African Attack in Maputo Condemned A 6
Jamaica's Seaga Reelection Aspirations 'Demented' A 6
Rodriguez Lectures Youth on International Issues A 8
Radio Florida Building To Be Inaugurated A 8

OTHER COUNTRIES

Eastern Island Leaders Agree To Form Single Nation B 1
OECS Issues Communique on Summit Meeting B 2

BARBADOS

China Interested in Strengthening Relations B 4

DOMINICAN REPUBLIC

Jorge Blanco in Satisfactory Condition in Atlanta B 4

GRENADA

Gairy To Lead Labor Party in Next Elections B 4

NETHERLANDS ANTILLES

Island Council Election Results Reported B 5

MEXICO

Officials Dislodge 4 People From Danish Embassy C 1
OPEC Expected To Ratify Current Oil Plan [EFE] C 1
Briefs: Marijuana Plantations Destroyed; Drugs Confiscated; C 1
Ambassador Appointed

CENTRAL AMERICA

COSTA RICA

Arias Pleased With European Peace Plan Response E 1
Minister Rivera on Plan [LA REPUBLICA 21 May] E 1
Rural Police Discover Arms Cache Near Nicaragua E 2
[LA REPUBLICA 22 May]
Command To Stop Contraband From Panama Planned E 2

EL SALVADOR

Duarte Calls FMLN-FDR Proposal 'A Trap' F 1
Zamora on Duarte Response F 1
FMLN Issues Bulletin on Transport Stoppage F 4
Land Transportation 'Paralyzed' [AFP] F 5
Duarte, Ministers View Economic, Social Crisis [AFP] F 5

GUATEMALA

Cerezo Notes Government Accomplishments G 1
Foreign Minister Quinonez Denies U.S. Pressure G 4
[PRENSA LIBRE 28 May]
Government Minister on Drug Crop Fumigation G 5
Briefs: Foreign Debt, Reserves Figures G 5

HONDURAS

Editorial Notes Continuing Contra Presence H 1
[TIEMPO 29 May]
Government Reports Border Clash With EPS H 2
[EL HERALDO 29 May]
5 Killed in Clash H 2
Businessmen Deny Urging Military To Stage Coup H 3

NICARAGUA

President Ortega's Mothers Day Address I 1
FSLN Directorate Issues Mothers Day Message I 3
FSLN Says CIA Trying To 'Unite' Indians I 4
Military, Economic Situation in Country Viewed [EFE] I 4

PANAMA

Delvalle Says Relations With U.S. 'Good' J 1
[LA ESTRELLA DE PANAMA 31 May]
Delvalle Willing To Travel to U.S. Over Law 96-70 J 1
[CRITICA 30 May]
Released Cuban Political Prisoner Arrives 29 May J 2
Further Report [LA PRENSA 30 May] J 3
Honduran Embassy Releases Communique on Trade J 4
[LA ESTRELLA DE PANAMA 28 May]

SOUTH AMERICA

ARGENTINA

Senate Approves Modified Due Obedience Bill K 1
Military Express 'Satisfaction' K 2
Moreau 'May' Replace Jaunarena as Defense Minister K 2
Police Guarding Armed Forces Buildings K 3
General Caridi Delivers Army Day Speech K 3
Air Force Denies Grespo Dispute With Army Officer K 6

BOLIVIA

Further on Miners' Strike, Government Actions L 1
COB Decrees State of Emergency L 1
Military on Alert in Potosi L 1
Cochabamba Reportedly Calm L 1
Bedregal Views Incidents [EFE] L 2
Antelo Discusses Report L 2
Report on Socialist Party One Infighting, Split L 3
[PRESENCIA 19 May]

BRAZIL

Bresser Comments on Debt, Economic Plan, IMF [AFP] M 1
Minister Castelo Says Cabinet Reshuffle Over M 1
Air Force To Purchase 6 Used Mirage Planes M 2
[O ESTADO DE SAO PAULO 29 May]
President Schedules Regular Television Appearances M 2
Article Considers U.S. Army Secretary's Visit M 3
[FOLHA DE SAO PAULO 29 May]

CHILE

Del Valle Hints at Rejecting U.S. Letelier Request N 1
Article Discusses 'Changes' in U.S. Diplomacy N 1
[APSI 11 May]
Government Authorizes 48 Exiles To Return N 3
Opposition 'Guests' Interviewed in Moscow Paper N 3
[cross-reference]

PERU

Soviet Deputy Says CPSU's Gorbachev To Visit [AFP] R 1
Interior Minister on Captured 'Terrorists' R 1
Economy Minister Discusses Inflation, Growth R 4

VENEZUELA

Interior Minister Claims Subversion Increasing [EFE] T 1
Army, Air Force Conduct 'Caribe-1' Exercises T 1
[EL UNIVERSAL 21 May]

DEL PINO'S DESERTION CAUSES 'TOTAL SURPRISE'

PA291453 Paris AFP in Spanish 1407 GMT 29 May 87

[By Alfredo Munoz-Unsain]

[Text] Havana, 29 May (AFP) -- The escape to the United States on Thursday of Air Force Brigadier General Rafael del Pino, a hero of the Castroite victory in Playa Giron in 1961, caused total surprise here and unofficial sources surmise he was a veteran "mole" of "enemy" intelligence.

The official reaction was unusually rapid, and today a communique fulfilled "the unpleasant duty of reporting" the "repugnant treason" of the deserter who "has irreparably tarnished his life, history, and honor." Aside from the speculations, observers say the publicity cost of the desertion is high for Castroism [Castrismo]. They stated that in the last 25 years, no Cuban with more political prestige has changed sides and gone over to "the Yankees."

In 1985, another official of the regime, Manuel Sanchez Perez, caused a commotion when he took refugee in Spain and was presented as a repented Castroite vice minister (in reality he had held the post of director in the State Committee for Material and Technical Supply). But until then [as received] the anonymous Sanchez Perez was an official who "had recently arrived" in the system, while del Pino played the role of hero in a key episode of that system -- the defeat of the invasion that the U.S. CIA launched in Playa Giron 26 years ago.

Observers have stated the new deserter's position was magnified [magnificado] when he was descrived as "number two in the Cuban Ministry of the Revolutionary Armed Forces." General Raul Castro, minister of the Revolutionary Armed Forces, has four vice ministers under him and they can, by law, become acting ministers. However, Del Pino was not one of them. As a lieutenant in a small Cuban Air Force, Del Pino played an important role in the 1961 Playa Giron victory, the "first military defeat of imperialism in Latin America" -- according to the official language here -- when he downed 2 of the 10 attacking planes shot down during the invasion, damaged the ships that brought the invading brigade, and gave air support to the government's counteroffensive.

At that time he earned official recognition and was known as "Hero of Playa Giron." According to the communique issued by the Ministry of the Revolutionary Armed Forces, Del Pino "enjoyed the respect of the command and was always treated correctly and with fraternal respect."

The Cuban Government decorated Del Pino with several medals. He also won the Casa de las Americas literature prize for his book "Dawn Over Giron." According to unofficial sources, Del Pino's last public office -- as much as 2 years ago -- was that of director of the Civil Aeronautics Institute.

In a system where secrecy is the golden rule, the speedy official reaction, in face of Del Pino's desertion, could be an implicit rejection of rumors that he may have been guided by U.S. intelligence. "No fact or incident can justify such strange and treacherous conduct," the note stresses.

To escape, Del Pino took off -- only a few privilaged individuals are authorized do so in Cuba -- in a small twin-engine Cessna plane with his current wife and his three children (including one who was an Air Force pilot until 1984). The official note states that the plane belongs to Aerocaribe, a charter airline. The fact that Del Pino could use the plane places him among those commonly described in Cuba as living in high style ["vivebien"] and dispels the theory about sudden displeasure with the system.

For its part, the government does not seem to have been distrustful of Del Pino. In addition to the perquisites he enjoyed (including the use of planes when he wanted), VERDE OLIVO, the magazine of the Armed Forces Ministry, recently described him as an exemplary head of household, departing from the normal official practice of not indulging in flowery personifications.

On the contrary, if he was a "mole" and had begun to make the regime suspicious, Del Pino (who lived as an exile in the United States before the Castro era) would have lost his usefulness, and this would explain his sudden defection [defeccion]. This was said privately by sources who denied there is any official status to their conjectures.

Observers feel that, over and above the wild conjectures, the defector is a potential source of substantial intelligence for Washington, not so much because of the positions he held in Cuba -- of a much lower rank than depicted by the exaggerated propaganda -- but because of the access he had to echelons familiar with things the U.S. services also want to know.

GRANMA Reports

PA291425 Havana International Service in Spanish 1403 GMT 29 May 87

[Text] The Cuban newspaper GRANMA has published in its most recent edition a Ministry of the Revolutionary Armed Forces, MINFAR, note reporting the desertion of Brigadier General Rafael del Pino Diaz, who distinguished himself in 1961 as a pilot in the battles of Playa Giron, and who subsequently carried out an internationalist mission in Angola. Del Pino has not been working as a combat pilot since January because he was suffering from eye problems and recurring states of physical stress.

Because of his praiseworthy service, the MINFAR note specified, Del Pino was distinguished by the Cuban revolution with promotions, responsibilities, and other honors. He enjoyed the esteem of the commands [mandos], and he always received fraternal and correct treatment. Therefore, no action or incident can justify his strange and treacherous conduct.

The note published in GRANMA stresses that the deserter has irreparably tarnished his life, history, and honor by passing to the ranks of the enemy, and by putting himself at the service of aggressive U.S. imperialism, which has caused so much Cuban bloodshed and against which he fought in Playa Giron, where the United States received its first military defeat in America. Finally, the MINFAR expresses its deepest repudiation of the infamous action of Rafael del Pino, and warns the imperialists that no treason can ever harm the firm strength of the Cuban people nor delay the invincible march of the revolution.

DEL PINO'S FORMER WIFE REQUESTS SON'S EXTRADITION

FL301120 Havana Radio Progreso Network in Spanish 1100 GMT 30 May 87

[Text] The mother of minor Rafael del Pino Lopez has sent a letter to the revolutionary government asking that it demand from the U.S. Government the extradition of her son, who was kidnapped and taken to the United States by his father, Traitor Rafael del Pino.

Carmen Dominga Lopez Maldonado says in her letter that she is making her request as a mother and a Cuban who wants her son to return to the homeland so he can live and even give his life if necessary for our revolution.

Speaks on Situation

PA300213 Havana International Service in Spanish 0000 GMT 30 May 87

[Report by Angel Hernandez; passages in quotation marks recorded]

[Text] As the MINFAR has announced, on Thursday, [Cuban] Air Force Brigadier General Rafael del Pino, who had distinguished himself as a pilot in the Playa Giron combat in 1961, deserted to the United States, taking with him several members of his family.

Havana International Service has interviewed Carmen Lopez Maldonado, the mother of Rafael del Pino Lopez, a minor who was taken by the deserter when the boy was at his home and his mother was not there. The mother has characterized this action as an unforgivable act of piracy [robo]. She has expressed concern about her son.

[Lopez Maldonado] [Words indistinct] I am concerned about the boy's physical condition and his emotional stability. I think so far he has not had contact with that society of wolves.

"Besides, it is not easy for the boy to overcome overnight the fact that his father, who has been a model for him; that his father, who was, in his eyes, the greatest thing in this world; that his father has lied and betrayed him, him [repeats herself]. Our future task to help him overcome this situation will not be easy. I would like to somehow get some help on this."

Later, Carmen Lopez said: "I know that my son left this place without knowing where he was going. I am convinced of that. I want my son to know how his brothers feel about this. If he was told lies to be able to get him out, they will keep lying to him over there."

Carmen Lopez concluded the interview by recalling the demonstrations of solidarity she has had from her comrades, neighbors, the party, and the Cuban Government: "I am very interested in letting it be known that even if they send word the boy says no, as long as I cannot talk with my son I cannot be sure, since my son went there because of lies and they could be lying to him, telling him his mother and sister will be traveling later. We were born here, we live here, and we would do anything for this country [por esto].

"If we have the misfortune that they will not return the boy to us, I will keep trying until the moment I die to recover my son, and I know the government, the party, and everybody else will be backing me."

We thank Carmen Lopez Maldonado for her statement for Havana International Service.

U.S. PROMOTING FUNDAMENTALIST SECTS IN AREA

PA281853 Havana International Service in Spanish 2300 GMT 26 May 87

["Our America" commentary read by Manolo Ortega]

[Text] Controlling man's mind and limiting his social action through conformism and obscurantism is one of the goals of the distorting ideological work Washington is carrying out against the peoples it is trying to keep under its rule.

In Latin America, and particularly in Guatemala, a specific instance of this brainwashing is accomplished by the so-called fundamentalist sects with headquarters in the United States. These sects wish to dismember the progressive and revolutionary movements inside and outside the church.

As early as 1969, following a Latin American tour, U.S. presidential envoy Nelson Rockefeller proposed the promotion of the most conservative sects in the area to counter the nascent liberation theology, which promotes the integration of Christians into the struggle for social and political change that favors the people.

Years later, in 1980, the so-called Santa Fe program -- the basic doctrine of Washington's foreign policy in our region -- expressed a need to counter in every possible way the broad front of revolutionary Christians emerging in our lands. This front is described as procommunist in Washington.

The imperialist intelligence organizations have devoted large human and financial resources to fostering the fundamentalist sects and their retrogressive ideas about man and society. The work of these sects complements the counterinsurgency tactics implemented on our continent, and their presence is much larger in areas like Central America, which are particularly explosive.

A typical example of this type of deception is Guatemala, where the fundamentalist sects comprise 90 percent of the non-Catholic churches in the country.

The rapid pace of this distorting work of ideological penetration was such that by 1982, General Efrain Rios Montt assumed office through a coup d'etat. He was a leader of the so-called Church of the Word and claimed he was appointed by the Lord to eliminate communism in Guatemala. Some 14,000 people were murdered under the government of this bloodthirsty fanatic.

The tactic of penetration is simple: the army destroys the villages and massacres the people. Then the envoys of the sects appear to give consolation and sham support to the victims of the government violence. Meanwhile, these envoys spread ideas of conformism and divine punishment as a way to contain any possible rage from the people.

These groups often focus on the Indians. They have local radio stations with programs that are in line with their interests. Also their presence has been detected in other regions of the continent with a predominantly Indian population.

Certain media report that together with the idea of social conformism, these sects introduce foreign ideas: They attack national and cultural heritage and promote tastes and traditions that are totally foreign to the idiosyncrasies of our peoples but very much in line with the ideological policy and the corrupted morals of the northern metropolis.

MALMIERCA COMMENTS ON VISIT TO IRAN, SIGNS PROTOCOL

FL301750 Havana Radio Reloj Network in Spanish 1545 GMT 30 May 87

[Text] Cuban Foreign Minister Isidoro Malmierca has described his official 3-day visit to Tehran, which ended (?yesterday), as productive. During his visit, Iran and Cuba signed a protocol on foreign policy coordination, particularly within the framework of the Nonaligned Movement. The protocol also covers economic and technical cooperation in public health, pharmaceutical products, industry, an agriculture.

Malmierca stated that his talks with Iranian leaders also centered on the situation in Central America, the Persian Gulf, and the Middle East. Meanwhile, Iranian Foreign Minister 'Ali Akbar Velayati, whom Malmierca invited to visit Havana, stressed that relations between the two countries have developed considerably since the triumph of the Islamic revolution in 1979.

Arrives in Cyprus

NC301329 Nicosia Domestic Service in Greek 1300 GMT 30 May 87

[Text] Cuban Foreign Minister Isidoro Malmierca arrived in Cyprus this afternoon en route from Tehran to Baghdad on a mediation mission for the Nonaligned Movement to bring an end to the Iran-Iraq conflict.

During his stay in Cyprus, the Cuban minister will be received by President Kiprianou whom he will brief on his mission. In addition, there will be an exchange of views on other international issues including the meeting of the Nonaligned countries' foreign ministers which will convene in Cyprus in 1988.

In a statement upon his arrival in Cyprus, Malmierca expressed the hope that the Iran-Iraq war will end soon and stressed that its continuation creates problems not only for the two belligerents but also for the entire world. The Cuban minister stressed the Iran-Iraq war has created a predicament for neighboring countries through the involvement of U.S. imperialism which intervenes, he added, in the sovereignty of the countries adjacent to the two belligerent states.

Malmierca was received at the airport by Interior Minister Konstandinos Mikhailidhis, who is substituting for the foreign minister; Cuban ambassador in Cyprus Guillermo Gomez; and Konstandinos Mousioutas, the Republic's ambassador in Havana and Cyprus permanent representative to the United Nations.

SOUTH AFRICAN ATTACK IN MAPUTO CONDEMNED

PA311844 Havana International Service in Spanish 1800 GMT 31 May 87

[Text] Cuba has vigorously condemned the recent attack by commandos of the racist South African regime against a residential neighborhood in Maputo, the capital of Mozambique. The attack killed three people and caused heavy property damage.

A statement released in Havana by the Cuban Foreign Ministery stressed that this action sought to destabilize the Mozambican Government and is an arrogant challenge against the African countries that struggle against apartheid. The document urged the international community to condemn this action, which violates Mozambican sovereignty and worsens the tense situation in southern Africa. The statement also called for a stop to the imperialist complicity and support for Pretoria and for the application of global obligatory sanctions against that regime so as to pave the way for its total disappearance.

JAMAICA'S SEAGA REELECTION ASPIRATIONS 'DEMENTED'

PA310213 Havana International Service in Spanish 2300 GMT 30 May 87

["Our America" commentary read by Manolo Ortega]

[Text] Edward Seaga has announced a decision that most observers view as crazy. He has confirmed that he is interested in getting reelected in the next general elections to take place on the Caribbean island of Jamaica.

The adjective used to describe the decision is not a coarse abstraction but a concrete truth if one is aware of the fact that during the 7 years Seaga has been at the head of the Jamaican Government, the country has virtually gone bankrupt thanks to a crazy social and economic policy of surrender.

The blunders of the Harvard Bachelor of Science in Economics, blunders which have provoked a continuous domestic crisis, have pushed up his unpopularity to unforeseen levels since he gained power in 1980 with the promise of putting Jamaica's house back in order.

He is euphemistically saying that now he needs another period in government to culminate his work, which is a synonym for leading the country into a deep hole at all costs.

The prime minister insists on ignoring polls, which for the past 2 years have been indicating that the majority supports the opposition's People's National Party, headed by Michael Manley.

Seaga's economic programs, which are a product of his continuous yielding to the IMF and the World Bank, go against the most urgent needs of the people and also negatively affect the local enterprise sector.

During the 7 years of his administration, the cost of living has increased by 150 percent in Jamaica. Some 30,000 public employees are now jobless and there is a noticeable deterioration in sectors such as mining, agriculture, and manufacturing.

Seventy percent of the 2.5 million people of the island live in conditions of extreme poverty, according to UN statistics. The foreign debt which amounts to $3.5 billion, absorbs 50 percent of the nation's income from foreign trade.

The repercussions in the health sector, education, retirement pensions and assistance to the needy, and other social programs have been terrible.

However, Seaga, trying to recover support, has explained if he stays in power, he will set in motion programs to assist the people, the very people he has been killing [desaparecer] as a result of his yieldings and lack of principles.

Due to the shortage of national capital, Seaga plans to replace it by selling to foreign enterprises 12 of the 14 international tourism hotels under state control. Seaga has publicly announced this. Such sales imply privatizing practically all of one of the few sources of income the state has.

Really, the term demented, used by observers to Seaga's reelection aspirations, is overwhelmingly logical and cannot be counteracted by the demagogic rhetoric that the flunked prime minister of Jamaica is using.

RODRIGUEZ LECTURES YOUTH ON INTERNATIONAL ISSUES

FL291324 Havana Radio Progreso Network in Spanish 1100 GMT 29 May 87

[Text] The revolutionary strength, enthusiasm, and fervor of Cuban youths throughout their fifth congress are a guarantee of the historical continuity of our process. The statement was made by Carlos Rafael Rodriguez, member of the Communist Party of Cuba Politburo and Vice president of the Council of State, during a special lecture at the seminar for provincial and municipal first secretaries of the UJC [Union of Young Communist].

Carlos Rafael talked about the Middle East situation, the Irangate scandal, the United States' covert war against Nicaragua, Washington's support for the Salvadoran regime, and the renewal process currently underway in the Soviet Union.

The participants also reviewed the UJC's scientific-technical activities and work in the health sector. The forum is being held in Havana and should conclude today.

RADIO FLORIDA BUILDING TO BE INAUGURATED

FL161547 Havana Radio Reloj Network in Spanish 1424 GMT 16 May 87

[Text] The new Radio Florida building in Camaguey Province will be inaugurated to commemorate the 25th anniversary of the ICRT [Cuban Institute of Radio and Television] on 24 May.

The official inauguration ceremony will be held next week and the project will expand and improve the radio station as well as initiate new, modern equipment, which will increase the quality of radio broadcasts from Florida Municipality. The main event commemorating the anniversary of the ICRT will be held in Camaguey Province on 21 May at the Alcazar Theater during which time certificates and the (Raul Gomez Garcia) Order will be presented to a group of outstanding workers.

The ICRT has six radio stations in Camaguey, one of which is a provincial station and the other five are municipal.

EASTERN ISLAND LEADERS AGREE TO FORM SINGLE NATION

FL292252 Bridgetown CANA in English 2100 GMT 29 May 87

[By Erasmus Williams]

[Text] Road Town, Tortola, BVI, May 29, CANA -- Leader of the Organisation of Eastern Caribbean States (OECS) have agreed in principle to form a single nation. The announcement was made by prime minister of St Lucia, John Compton, the new chairman of the seven-nation grouping which ended a two-day summit today. Compton described the meeting in this British colony as historic.

"From the very opening of the meeting one could have felt the sense of excitement that something was going to happen and it did happen because this morning after formal discussions among political leaders we were able to agreee on a resolution, which I believe, will be far reaching in its implications as far as the Eastern Caribbean is concerned," Compton said.

The resolution reads: During the course of the 11th meeting of the authority of the OECS held in the British Virgin Islands on the 28th and 29th of May 1987, the authorities discussed the question of closer union among member states of the association.

"The authorities took the view that the first step to be taken was a process of comprehensive consultation on the subject with the peoples of the countries concerned and this process will begin immediately.

"The opportunity would be taken by the heads of government of the OECS to further exchange of views on the subject when they meet in St Lucia in July for the Caricom (Caribbean Community) heads of government conference. Prime Minister of St Vincent and the Grenadines James Mitchell Wednesday called for a popular referendum on the issue by year end.

He told reporters today that it is time that concrete suggestions are put forward to determine a framework for unification within two years. When a reporter put a question to him about Washington's Caribbean Basin Initiative (CBI), Prime Minister Mitchell said:

I am concerned about Caribbean unity and solving the internal problems of the OECS member states and if we can restructure our political systems better the OECS would be in a better position to negotiate with other countries including the CBI and the United States.

The OECS was formed in 1982 to promote economic cooperation among its member countries. Total population of its seven members -- St Vincent and the Grenadines, St Lucia, Montserrat, Dominica, Antigua and Barbuda and St Kitts and Nevis -- is about 583,000 people.

The British Virgin Islands, like Montserrat a British colony, became an associate member in 1984, which allows it to benefit from functional cooperation but bars it from participation in the common market and industry allocation arrangements.

OECS ISSUES COMMUNIQUE ON SUMMIT MEETING

FL301553 Bridgetown CANA in English 1418 GMT 30 May 87

[Text] Road Town, British Virgin Islands, May 30, CANA -- Following is the communique issued at the end of a two-day summit of leaders of OECS held here May 28-29.

[Text] "The meeting of the authority was chaired by the Right Honourable John Compton, prime minister of St Lucia. The meeting considered a wide range of matters pertaining to the OECS regional integration movement including matters relating to overseas representation in London and Ottawa, New York, and Washington, the harmonization of legislation in various fields, civil aviation and economic integration and cooperation.

On the question of alien landholding licenses among OECS countries, the authority (leaders) agreed that OECS member states would take steps on a reciprocal basis to waive the requirement for citizens of OECS countries to obtain such licenses.

The meeting reviewed the report of a task force on access for foreign fishing in OECS waters and agreed that the OECS should continue with its efforts to develop a harmonized approach to this question including seeking support for the holding of a number of workshops to advance technical details involving this matter.

The report of the workshops would provide the basis for harmonized legislation on this matter.

The authority received a report from the prime ministers of Dominica and St Vincent and the Grenadines on their recent negotiations with EEC officials with regard to the Caribbean programme of aid under the Lome III Convention, and decided on the establishment of a ministerial monitoring committee to facilitate negotiations with the EEC on a continuing basis and to expedite implementation of projects submitted for financing.

The authority considered the report of the first meeting of the OECS legal affairs committee and endorsed proposals for harmonization of legislation in the fields of civil aviation, dangerous drugs, patents, trademarks and copyright.

The meeting also agreed on priorities for law reform and law revision in the areas of the law of succession, divorce, companies and laws relating to children in all their aspects.

The authority agreed that musicians who are nationals of OECS countries travelling within the region should be permitted to perform, for approved cultural events, in each other's territories without being required to pay work permit fees, and be permitted temporary importation of instruments and equipment for such events without payment of customs and other duties, subject to normal customs inspection procedures.

The authority agreed on the establishment of an Eastern Caribbean investment promotion service and authorised the secretariat to sign an agreement with USAID that will provide for financing and technical support for early establishement of the service in Washington.

This meeting was preceded by a meeting of the economic affairs committee on May 27, 1987. Among the matters agreed by the ministers were the following:

Ministers received reports of meetings held by directors of tourism in recent weeks and agreed that the economic affairs secretariat should pursue plans for developing strategies in respect of collaboration among the member countries in the area of tourism marketing and promotion.

They reviewed and expressed satisfaction with the work of the tourism advisers who have been assisting OECS countries on the basis of a programme of assistance from the European Economic Commmunity.

Finally they agreed that regular meetings of ministers of tourism and tourism officials should be held to review ongoing work on joint activities and OECS countries relating with the Caribbean Tourism Research Centre and the Caribbean Tourism Association.

Ministers received a report on the harmonization of customs law and administration and endorsed recommendations made at a meeting of OECS comptrollers of customs and attorneys general.

The ministers also agreed on harmonized legislation which should come into effect by January 1, 1988. The ministers reviewed extensively the present situation relating to trade within the Caribbean community and agreed on matters which would be raised at the forthcoming meeting of the Caricom council of ministers. The ministers also took note of discussions recently held in Barbados concerning Caricom trade in garments.

The ministers re-affirmed their commitment to complete the liberalization of trade among OECS countries, and agreed also to the elimination of import licensing requirements, both of these to take effect by January 1, 1988.

The ministers agreed that the Economic Affairs Secretariat should continue work with a view towards agreement to the holding of an OECS trade and investment exposition intended to promote manufacturing investments and the exports of the OECS countries.

They also discussed participation in a trade, tourism and investment exposition for small states, to be organised by the Commonwealth Secretariat and held in Canada during the Commonwealth heads of government meeting.

Finally the ministers mandated the Economic Affairs Secretariat to conduct a study to identify areas of further trade and economic cooperation between the British Virgin Islands and other member-states of the OECS.

BARBADOS

CHINA INTERESTED IN STRENGTHENING RELATIONS

FL282107 Bridgetown CANA in English 1718 GMT 28 May 87

[Text] Bridgetown, Barbados, May 28, CANA -- China has expressed a desire to further strengthen relations with Barbados, according to a statement from the Chinese Embassy. The statement to Barbados's Foreign Minister Sir James Tudor from his Chinse opposite Wu Xueqian noted the countries mark the 10th anniversary of establishment of diplomatic relations on Saturday.

Since the establishment of our diplomatic ties 10 years ago, steady progress has been made in our bilateral exchange and cooperation in the political, economic, cultural, sports and other fields, and our mutual understanding has continually deepened, Wu said.

He added: We are satisfied with all this. I am convinced that to develop the friendly relations and cooperation between our two countries conforms with the fundamental interests and common aspirations of our two people. I wish that our relations will grow in strength and develop further, Wu said.

DOMINICAN REPUBLIC

JORGE BLANCO IN SATISFACTORY CONDITION IN ATLANTA

FL211425 Santo Domingo Cadena Brea Pena in Spanish 1130 GMT 21 May 87

[Text] Former Dominican President Salvador Jorge Blanco is recovering satisfactorily at the hospital in Atlanta, Georgia, where he was admitted for treatment. This was announced yesterday by the cardiologist who is treating the former president. Dr (William Hurt) made a statement to the press and added that former President Jorge Blanco is recovering satisfactorily and that he may be discharged shortly. The doctor said that Jorge Blanco is ambulatory; however, he did not say when he would be able to return to the Dominican Republic where he is to face trial for mismanagement of government funds, [word indistinct] and other crimes committed during his government. The Santo Domingo judge, who is preparing the case, has issued a warrant for the preventive arrest of the former president. Former President Jorge Blanco underwent a catheterization procedure at Emory University Hospital in Atlanta. The procedure ruled out the possibility of a blocked artery; no surgical procedure is necessary. Jorge Blanco has announced that as soon as he is discharged from the hospital, he will return to the country to defend his honor before the Dominican court.

GRENADA

GAIRY TO LEAD LABOR PARTY IN NEXT ELECTIONS

FL281325 Bridgetown CANA in English 2224 GMT 26 May 87

[Excerpts] St Georges, Grenada, May 26, CANA - Former Grenada Prime Minister Sir Eric Gairy says he will lead his Labour Party in the next general election.

Gairy made the statement in denying reports that he had invited a Grenadian economist with the University of the West Indies (UWI) to take over the leadership in an attempt to give the 36-year old party a new face.

"I believe the people want me to remain, and don't forget that I am the president and political leader of the Labour Party", he told CANA.

Gairy said he will contest the St Georges South Constituency which he held until 1979 when his regime was toppled in a leftwing coup. [passage omitted]

Gairy said his party would be unbeatable at the polls since it was "stronger than ever." He indicated that the party was now "solidly reorganised" and the hostility which was there during the post 1984 elections had virtually disappeared. "I am very happy to see that the youths are responding very favourably to us now", he remarked.

Gairy played down speculation that his party's chances of winning the polls had been boosted by the recent resignation of three influencial members from the two-year old coalition government. "Our chances have always been excellent They did not win the last elections. It was given to them," he said.

The former prime minister spoke of the party going through a restructuring period including the putting together of a new constitution and updating of its manifesto. He said that the party's constitution had not gone through any significant change since 1959.

Gairy regarded the most important task ahead for the party as ensuring that it had the right candidates for the elections. "We can win with anything but in the interest of Grenada, we must have the best candidates, and from all indications people who before were shying away from the party are coming in with pleasure", he said.

"The politics of Grenada today are more sophisticated and we would want people who can understand what is happening in the universe today," he added.

NETHERLANDS ANTILLES

ISLAND COUNCIL ELECTION RESULTS REPORTED

FL231255 Bonaire Trans World Radio in English 1130 GMT 23 May 87

[Text] Island council elections were held on the three Windward Islands of the Netherland Antilles yesterday. In Saba, the Democratic Workers Movement won three of the five seats defeating Will Johnson's WIPM [Windward Islands People's Movement] which won in 1985. In St Eustatius, the Democratic Party held on to three of the five seats, and in St Maarten, the Democratic Party won seven of the nine seats.

OFFICIALS DISLODGE 4 PEOPLE FROM DANISH EMBASSY

PA291710 Mexico City XEW Television Network in Spanish 1300 GMT 29 May 87

[Text] After staging an occupation lasting nearly 60 hours, the occupiers of the Danish Embassy in Mexico have been dislodged. Government Secretariat personnel peacefully dislodged three men and a woman wearing a hood, who demanded that the assassination of several Veracruz State peasants be investigated. A short time before leaving the embassy, the four individuals had threatened to set themselves on fire if police intervened. They were finally dislodged peacefully after having occupied the embassy for 60 hours.

OPEC EXPECTED TO RATIFY CURRENT OIL PLAN

PA300312 Madrid EFE in Spanish 1116 GMT 29 May 87

[Text] Mexico City, 29 May (EFE) -- Mexico expects OPEC to ratify next June existing agreements regarding oil production and prices that have promoted a rational and stable growth, according to Alfredo del Mazo, Mexican energy, mines, and parastatal industry secretary.

In statements to the press, Del Mazo also said that all oil producing nations, whether they belong to OPEC or not, have abided by the agreements, which have allowed for an important recovery of oil prices that can be maintained between $18 and $20 a barrel the rest of the year. According to the top Mexican official, this is good for both producing and consuming countries and "this is the viewpoint that Mexico has upheld by order of President Miguel de la Madrid."

Finally del Mazo pointed out: "We want a stable market for hydrocarbons, that can allow for medium- and short-term planning and for a reasonable and rational development of prices for oil and other products.

BRIEFS

MARIJUANA PLANTATIONS DESTROYED -- Guadalajara, 25 May -- the Jalisco Federal Judicial Police have destroyed approximately 15 tons of marijuana on 13 plantations located in the Puerto Vallarta area. [Summary] [Mexico City EL NACIONAL in Spanish 26 May 87 p 6 PA]

DRUGS CONFISCATED -- Federal Judicial Police agents arrested two men transporting 2 kg of pure heroin worth more than 700 million pesos. Jose Socorro Hernandez and Hector Villalobos Perez were arrested in San Luisito Ejido, Caborca municipality, in Sonora. [Excerpt] [Mexico City UNOMASUNO in Spanish 15 May 87 p 12 PA]

AMBASSADOR APPOINTED -- Marcelo Javelly Girard, former secretary of urban development and ecology, was appointed today Mexican ambassador to Switzerland. The Foreign Secretariat reported that he is replacing journalist Agustin Barrios Gomez. [Excerpt] [Mexico City NOTIMEX in Spanish 1859 GMT 15 May 87 FL]

ARIAS PLEASED WITH EUROPEAN PEACE PLAN RESPONSE

PA282236 San Jose Radio Reloj in Spanish 1200 GMT 28 May 87

[Excerpts] [Passage omitted] Costa Rican President Oscar Arias is very pleased with the response of the Spanish, Belgian, FRG, and British Governments to his peace plan. The latter praised his government's peace negotiations. [passage omitted]

Costa Rican Foreign Minister Rodrigo Madrigal Nieto said the Costa Rican Government's peace proposal is understood better and better in Europe and the support expressed by the European governments will be decisive in the response expected from Managua, Washington, Havana, and Moscow.

Minister Rivera on Plan

PA282116 San Jose LA REPUBLICA in Spanish 21 May 87 p 8

[Text] Regarding the atmosphere which exists in Central America toward President Oscar Arias' peace plan, Acting Foreign Minister Carlos Rivera Bianchini said: "To date there has been no important change because the observations about the plan are superficial, very general, and in no case have they gone into detail."

He added: "On the basis of the observations about the plan, it is very hard to state whether the peace plan will undergo changes. However, we are willing to accept them as long as they do not affect the substance of the plan, because that would be contradictory."

Asked whether Nicaragua has an alternate plan, Rivera Bianchini said that "according to statements by Managua officials, it is believed they are preparing not only observations but an alternate proposal to take to Esquipulas." In fact, Bayardo Arce [vice coordinator of the FSLN Executive Commission] spoke in Panama about an alternate plan with nine points that should be included in the draft plan to resolve the Central American situation. This can also be deduced from some remarks made to Costa Rican Government officials who recently visited Managua.

The acting minister believes the Central American governments "are saving their cards to bring them out at Esquipulas." This would mean the Esquipulas agenda would have "other points with which we do not agree" because that agenda should be drawn up with a single point: "to discuss Costa Rican President Oscar Arias' peace plan," he added.

Rivera also referred to the president's meeting with British Prime Minister Margaret Thatcher. He said the only thing true is that she "requested time to study the peace plan." He said this must be seen "on the basis of the difference in the relationship between the Hispanic countries and other European countries."

Rivera believes that "in the EEC we will find a much more decisive opinion. This is where the opinions of all the member countries of that community will be found."

Regarding President Arias' trip to Europe, he believes "there has been no waste of resources or efforts because the presence of the president and, therefore, the Costa Rican Government in countries and forums permits our positions and views on the Central American conflict to be made very clear."

He said it is very possible that on 11 and 12 June there will be a meeting of area foreign ministers in Honduras as the last opportunity to receive "observations," because, in his opinion, "the success of Esquipulas will be based on what is achieved prior to the meeting."

RURAL POLICE DISCOVER ARMS CACHE NEAR NICARAGUA

PA282336 San Jose LA REPUBLICA in Spanish 22 May 87 p 2

[Text] Colonel Manuel Espinoza, director of the Rural Policy (GAR), yesterday reported that his men discovered a cache of weapons and ammunition hidden underground in Pocosol and Azucena, small communities on the Nicaraguan border.

The "arms cache," the term used by the police, apparently belonged to the Nicaraguan rebels.

Espinoza told LA REPUBLICA that policemen deactivated two high-powered Soviet contact mines that had been placed near the "cache." He added that 12 additional mines were destroyed by the police.

The cache contained 6 high-powered, U.S.-made, M-14 rifles; 12 U.S.-made modified "Mauser" carbines; and 300 7.62 cal cartridges with their clips.

Espinoza stated that the GAR carries out regular missions along the northern border to "comb" the area for hidden weapons that endanger the residents' security.

This particular mission was headed by Major Luis Alfaro, departmental chief in San Carlos, and Captain Jorge Segura.

COMMAND TO STOP CONTRABAND FROM PANAMA PLANNED

PA281933 San Jose Radio Reloj in Spanish 1200 GMT 27 May 87

[Text] A command will be established in Sixaola to solve the problem of contraband brought in from Panama, and 60 civil policemen will guard the border area. Public Security Minister Hernan Garron has announced that the policemen will also use boats to guard and patrol the navigable parts of the Sixaola River, which separates Costa Rica and Panama, because it has been detected that the river is used to transport contraband merchandise. The minister announced construction of the Sixaola command will be completed within 10 days. The command will also reinforce the rural police with an installation at the border.

Garron said plans are being coordinated with the Government Ministry to reinforce vigilance in this area. The area is a vulnerable one for the authorities, who must conduct daily operations to capture large quantities of contraband. Acting President Jorge Manuel Dengo has announced that one of the most important measures to be adopted immediately is the cordoning off of the area leading to Panama. No one will be allowed close to the border. The [word indistinct] that have been placed on the highway must be removed within a reasonable time as the Panamanians have already removed theirs. In the areas of (Cuerdito), La Cuesta, and Laurel a path will be left strictly for the use of local residents. Special parking areas will be established for people going to the border to enjoy courtesy purchases. Thus, they will not be confused with regular border traffic.

DUARTE CALLS FMLN-FDR PROPOSAL 'A TRAP'

PA292012 San Salvador Television Nacional in Spanish 1200 GMT 29 May 87

[Text] President Duarte has described the rebel proposal as a trap to weaken the Armed Forces.

[Begin recording] [Duarte] In the document issued by their general commands, they [not further identified] state that anything denoting dialogue or negotiations should be left for [word indistinct].

I would dare make the following [words indistinct] statements: [words indistinct] I think that [word indistict] would resolve the problem. However, when one analyzes this in depth, one realizes that what they are doing is putting things in such a way that the government and the Armed Forces have to sit back and do nothing, while they go up and down the country killing people. Therefore, the proposal is a trap. I think we have to be careful about that.

I am willing to find, and I agree with finding a road to peace, but we must, we must do that knowing this road to peace will guarantee benefits for us all. This is why [words indistinct] but what does it mean when they tell me: Look, the war continues, the shooting continues, but do not send planes and stop the bombings. It means the weakening of the Armed Forces, of the Army and the [words indistinct] of attaining the main goal that is peace. Therefore, I do not accept any proposal that does not involve a definition of peace.

[Unidentified reporter] Mr President, do you think the third national dialogue could take place?

[Duarte] No, not under those conditions, not until they determine whether violence is or is not [word indistinct] for the achievement of power. Because if not, then today it is the guerrilla movement, tomorrow it could be some other group. Just take a look at the situation in Nicaragua. They used to have guerrillas and today they have contras, but the war goes on. Thus, peace is not achieved through violence and war. That is a decision they [not further identified] must make.

I am not in power to use war as an instrument for ruling the country. I want peace and I want to attain that goal through a formula proposed by all sectors including the Armed Forces. Peace is more important than anything else and the objective of the Armed Forces is to seek and guarantee peace. I move within the framework of that philosophy and I seek dialogue within that framework as well. I do not seek dialogue through negotiations of any kind of proposals. [end recording]

Zamora on Duarte Response

PA291930 San Salvador Radio Cadena Sonora in Spanish 1600 GMT 29 May 87

[Interview with FDR leader Ruben Zamora by unidentified reporter; place and date not given -- recorded]

[Text] [Question] We would like you to tell us how the political branch [FDR] reacted to President Jose Napoleon Duarte's rejection of the 18-point peace proposal presented by the FDR-FMLN?

[Zamora] Yes (?Roberto). Our first reaction would be to point out that Durate's refusal to consider our fronts' serious proposal shows that all Duarte has been saying about agreeing with the humanization of the conflict is purely for propaganda purposes. When he actually hears a concrete and specific proposal, he rejects it. Also, I think this refusal proves that Duarte's government does not serve the interests of the Salvadoran people but rather serves the Reagan administration's policy toward Central America. For example, our proposal included an end to economic sabotage and also suggested an end to the power outages. We based this proposal on the fact that once the sabotage ends, the hundreds of millions that the CEL [Lempa River Hydroelectric Executive Commission] claims it is spending to repair power lines could be used to purchase more fuel and avoid the problems our people face because of the frequent power outages. It is a proposal that benefits all the sectors of the country. However, Duarte has once again proven that he prefers to please the Reagan administration and follow its guidelines, rather than please the Salvadoran people.

Therefore, we feel the Salvadoran Government must reconsider its rejection of the proposal. It must seriously think about the fact that the Salvadoran people want the humanization of the conflict and want the adoption of specific measures to achieve this humanization. We suggest that Duarte reconsider his rejection since it is inopportune and lacks seriousness. We also feel the Army High Command, to whom we also directed our proposal, should reconsider its response. Not only for the good of the country, but also for the good of the Salvadoran soldiers.

General Blandon said that 43 percent of the casualties suffered by the Army are caused by the mines. In our proposal we suggested an end to the use of antipersonnel mines and booby traps. We truly believe it is necessary that these points be studied an negotiated during a dialogue and that agreements be reached. We, the FDR and the FMLN, will continue to insist on the need to do this.

[Question] Doctor, I believe one of the most important issues is the incorporation of the two armies, your army and the government's army. I believe this is the one issue that hinders the proposal.

[Zamora] Are you talking about incorporation?

[Question] Incorporation of the FMLN army. According to what we hear, this is one of the issues that will never be agreed upon.

[Zamora] In our proposal we did not mention a single word about this. Ours is a proposal strictly aimed toward the humanization of the war and reduction of the impact of the war in the economic, social, and political fields. We are aware of the fact that Duarte and his government are so weak and so dependent on the United States that they cannot sit down at a negotiating table to seek a comprehensive solution to the conflict. However, the need to take specific steps toward dialogue and achieve positive results is something the people are asking for. They are the only reason for this proposal aimed toward humanizing the war. The people are the only reason for our 18-point proposal. Therefore, Duarte cannot claim that we are demanding the incorporation of the two armies, because this issue was not mentioned in the proposal.

[Reporter] We are aware that you did not discuss this last point, the unification of the two armies. Does this imply a change in position?

[Zamora] No, there has not been a change of position. We maintain the position we set forth in June -- July -- of last year in the political and social offer to all national sectors. In that proposal we said a cease-fire would be decreed when the government was reconstructed with the broad participation of all sectors, and, based on that cease-fire situation, discussions would begin on the matter of the two armies. We did not mention in the 17 July statement how that problem would be resolved. We leave that for discussion. I believe we should not -- as the people say -- put the cart before the ox. We should first conclude agreements that are feasible, that can be made now, and that can create political conditions to go on to other types of problems. The Salvadoran Government puts the cart before the ox because it shelters itself in the final analysis, be it in this problem of the two armies or in the absurd petition that the FMLN surrender first in order to negotiate. The government does this to be able to say it does not agree with the dialogue. However, the only thing it shows with this is that Durate wants a lip service dialogue. Duarte does not really want a serious dialogue. When concrete, viable, and serious proposals are set forth, he backtracks.

[Reporter] What strategy will be followed? It seems this has not been decided. If the two parties do not reach an agreement, either because the Duarte administration says no to your proposals unless you lay down your weapons, or because you do not agree, then what will El Salvador's situation be?

[Zamora] We believe a negotiated political solution is the best option to resolve the national crisis. However, we also maintain that for a negotiated political solution to be possible in El Salvador it is necessary that the various Salvadoran social and political sectors who love El Salvador and want to rescue the country unite to reach a national consensus on a solution to the crisis. In this regard, our fronts will continue working until an agreement or understanding is reached between the various social and political sectors. If this agreement is reached, the government will have no other alternative but to sit down at the negotiations table to discuss a political solution. That is why this 18-point proposal is also geared in that direction. It has advantages for the people, for the people in the conflictive areas, the people in the urban areas, and for the Salvadoran businessmen, so they will be able to carry out their activities. In this way we are trying to get Salvadorans to unite so that we Salvadorans will begin to decide our own future, not like now, when we have a government that does what Washington tells it to do.

[Reporter] To end, Doctor, there are expectations here regarding Mr Duarte's 1 June message. It is expected he will call for peace and possibly for dialogue. We suppose you will be attentive to that message.

[Zamora] We are always attentive and participate in the national situation. Regarding 1 June, we ask ourselves what Mr Duarte will show as accomplishments by his government in this 3d year. If we look at the military situation, the war has become more intense and is increasingly more difficult for the government Armed Forces. The human rights situation has not improved in the country. We do not see what Duarte can present to the people with the exception of a little more than 20 minutes or 1 hour of rhetoric and words. However, a country cannot be governed or people satisfied with only words. We need deeds, positive deeds, and that is what the Duarte government lacks. This refusal to consider a proposal for the humanization of the conflict ends a new negative fact to the Duarte administration's record.

FMLN ISSUES BULLETIN ON TRANSPORT STOPPAGE

PA300358 San Salvador Radio Cadena Sonora in Spanish 2100 GMT 28 May 87

["Information Bulletin" issued by the FMLN -- date not given]

[Text] Businessmen and cooperative members of urban bus lines, through this means the FMLN communicates to you the following:

1. We all know that the political-military struggle of our people this year has intensified, extended throughout the entire country, and multiplied its forms and kinds of actions. This is a heavy blow that weakens the enemies of the people. Together with all popular sectors, including small- and medium-size businessmen, the FMLN is directing its struggle toward ousting our common enemy, the Duartist dictatorship, which is responsible for surrendering our fatherland to Yankee imperialists for the acute destitution, hunger, and exploitation of the broad popular majority.

2. To the transport sector, the current regime has not brought any improvements; quite the contrary, it has placed many transporters at the brink of bankruptcy and worsened all kinds of problems and, thus, affected the economies of all those who work in and live off this sector. In this regard, we know the struggle we are waging against the current regime is shared by many of you. Our action is not targeted against you, but against our common enemy, the Duartist dictatorship, which is a servant of the Yankees.

3. One mode of struggle is the one aimed at inflicting blows on the regime's war economy; transport stoppages are among them. The General Command has decreed a general transport stoppage. On this occasion, it will also cover the capital. This action is within the framework of the FMLN's military actions and the increasing struggle of workers to upgrade their precarious living conditions.

4. For the foregoing reasons, the FMLN urges all of you not to mobilize your units as long as this new national transport stoppage is still in force. Otherwise, we will be forced to take measures against those units or companies refusing to obey this decree.

[Signed] FMLN

Land Transportation 'Paralyzed'

PA311731 Paris AFP in Spanish 1527 GMT 31 May 87

[Text] San Salvador, 31 May 87 (AFP) -- The Salvadoran guerrillas paralyzed 95 percent of land transportation today, and attacked Apastepeque, where two civilians were killed and one paramilitary agent was wounded, official sources have reported.

A spokesman for the Armed Forces Press Committee (Coprefa) told AFP that in its attack on Apastepeque, 58 km east of San Salvador in the central department of San Vicente, the rebels destroyed the local commander's office, the telecommunications office, and a court. According to initial reports, the FMLN attack began at 0130 (0680 GMT) and lasted several minutes.

Units of the 5th Infantry Brigade launched an operation this morning to dislodge the rebels, who began today a new nationwide campaign to sabotage land transportation. Police sources reported that the rebels burned an urban bus and damaged the tires of two other buses in this capital last night. The FMLN thus began its fifth campaign to boycott transportation at dawn today, the eve of the 3d anniversary of Christian Democratic President Jose Napoleon Duarte's administration.

According to San Salvador bus terminal personnel, 95 percent of transportation services for passengers to the eastern, western, and central regions is paralyzed. Meanwhile, AFP confirmed this morning in a tour of the Salvadoran capital that because of the absence of buses many persons were traveling in cargo vehicles and taxis, while others walked long distances to reach the commercial establishments. In downtown San Salvador, police and Army units are patrolling the streets and avenues to counter any dynamite attacks.

Military sources noted that security will be tightened tomorrow in the Cabanas Department in the middle of the country, where President Duarte will deliver his third state-of-the-nation address.

The diplomatic corps, which has been invited to the official ceremony, will be taken by vehicle to the city of Sensuntepeque, guarded by a military convoy and Air Force units.

DUARTE, MINISTERS VIEW ECONOMIC, SOCIAL CRISIS

PA300244 Paris AFP in Spanish 1807 GMT 28 May 87

[Report by Ana Cristina Hasbun -- all figures as received]

[Text] San Salvador, 28 May (AFP) -- Overwhelmed by the enormous political and military challenges and above all by the economic problems affecting the country after 3 years of government, Salvadoran President Napoleon Duarte admitted he is not able to "work miracles" to get El Salvador out of "the most gigantic crisis" in its history. "This has not been an easy administration. It has been one of dramatic confrontation with the most gigantic crisis our people have ever suffered," Duarte said Wednesday 27 May during an official event in Suchitoto, 50 km north of San Salvador, one of the most war-torn areas of the armed confrontation which has raged in the country since 1980.

Duarte emphasized that when he came to power on 1 June 1984, "I did not say we would perform miracles," and he asked Salvadorans to have faith in his government, even in the midst of a steady worsening of the economic crisis. "In the midst of a crisis, people can be lost and can succumb, no matter how strong its Armed Forces are, if they do not have faith," the Christian Democratic ruler said. Duarte thus gave a personal answer to the demands of rightist and leftist groups which in the last few months have been asking for his resignation, and making increasingly harsh attacks on the governments, denouncing its "incompetence" to end a war which has already cost 60,000 lives. Various political sectors and even government leaders admit that the war is the main cause of El Salvador's economic crisis which was worsened last year by the effects of the October earthquake which caused $2 billion in damage. "The main problem is the war which is the cause of all ills," Planning Minister Fidel Chavez recently said when explaining the enormous financial needs of the Duarte government. Chavez admitted that the Salvadoran economy "survives" thanks to the continuous financial aid the United States provides through the Agency for International Development (AID) whose contributions even serve to maintain the Army. Chavez explained that in recent years, AID has donated to El Salvador an average of $300 million to $350 million, besides military aid. However, a U.S. Embassy report detailed that the aid approved for this year is $597.5 million, of which $310 million will be for direct economic assistance and for the balance of payments. Another $118.8 million wil be granted in commercial credits and guarantees, $116.5 million for military aid, and $52.6 million for disaster aid to repair the damage caused by the October 1986 quake. According to the same report, last year the United States gave El Salvador a total of $544.7 million, of which $315 million was for direct economic assistance, $107 million in credits and guarantees, and $121.9 million for military aid. Minister Chavez said that in addition to the U.S. aid, El Salvador recently received $240 million from European countries. Of this, 75 percent were donations and the rest were extremely soft loans.

In the past 2 years, El Salvador has had fiscal deficits of more than $100 million and Chavez warned that this year's deficit will be worse because of the drop in the prices of coffee, cotton, and sugar which are the main Salvadoran exports. Nevertheless, Chavez said the government is not planning a new devaluation of the colon (which is at a rate of 5 to a dollar) at a time when inflation has reached 32 percent. The country's financial crisis was evident in the past 2 months when the hydroelectric plants lowered their production because of a serious drought, and the government had to ration electricity because it was unable to buy petroleum to operate alternate generators. During last night's announcement about the end of the electricity rationing (of up to 4 hours daily), Economy Minister Ricardo Perdomo estimated that the country lost approximately $2.2 millin a day during the past 2 and 1/2 months because of this situation. Perdomo explained that because of the direct losses suffered by the energy producing and distributing companies, a new increase in electricity rates wil go into effect Monday. This complex economic picture comes on top of the no less distressing social panorma which forces the Duarte government to help more than (?600,000) people displaced by the war.

Unofficial sources estimate that the unemployment rate is currently 40 percent but union and management organizations say the unemployment rate is more than 50 percent. According to official warnings, the unemployment picture in El Salvador might get worse in the coming months because of the threat of deportation affecting more than 500,000 Salvadorans who in recent years have illegally emigrated to the United States and the return of approximately 40,000 refugees living in Honduras.

CEREZO NOTES GOVERNMENT ACCOMPLISHMENTS

PA3019C0 Guatemala City Domestic Service in Spanish 0400 GMT 29 May 87

[Speech by President Marco Vinicio Cerezo Arevalo on 29 May in Guatemala City -- live or recorded]

[Text] Dear Guatemalan friends: Today, I want to talk about something truly positive with you: I want to talk about Guatemalan democracy, our democracy, the democracy built by all of us together -- the various institutions, the citizens, and the various segments of the population -- which is definitely a success. We feel better every day in this democracy, our democracy.

I decided to talk about this with you because I have always emphasized the need to have formulas and a positive behavior and attitude from all of us so in the coming months we can continue consolidating the democracy we are building, and so the government and all the sectors of the population can do better work in a common and concerted effort to bring progress to Guatemala.

I recently received a report from a private company that conducted a public opinion poll in Guatemala. This company has been doing this for the past few months, and it has discovered very interesting information. Sometimes this information contrasts with the rumors among some sectors of the population or in some news releases regarding domestic problems. For example, with this investigation, we have been able to confirm something that is absolutely important: The attitude of the Guatemalan people about their government, particularly regarding the political process we are experiencing. We have found that there is a positive attitude; an attitude of confidence and security that things are improving gradually. A few months ago, when this investigation was conducted, Guatemalans had serious doubts about whether or not we were improving matters such as employment. People complained that prices continued to increase constantly, and that there was much speculation. There were fears about violence and the crime rate. Right now, the investigations effectively confirm that these indexes in the behavior of the Guatemalan people and the economy have been constantly improving.

We are now beginning to improve, and there are specific figures from the statistical point of view. Do you remember that in the past it was said that of every 100 Guatemalans, 47 were unemployed? Right now, after the investigations, we found this figure has decreased. Of every 100 Guatemalans, 25 [figures as heard] have a way of earning their living, have jobs that permit them to have a consistent income. We also found that we have been able to stabilize prices. You should remember, my friends, we mentioned that although it was difficult to lower prices totally to the pace or levels existing before 1985, when the huge inflation began, we would try to stabilize prices. It seemed an impossible task, but we have accomplished it. There are some slight differences. Sometimes some prices increase; others go down; but the truth is the general price indexes have been permanently stabilized. We can now begin with much confidence our work to increase production and improve competitiveness. What for? To bring prices down and thus improve the living conditions of all Guatemalans.

In general, we found a number of positive points in this poll, in this analysis of opinion and investigation conducted by a private company -- which is not linked to the Government; therefore, it is absolutely impartial. We will see it. Of course, you will find some things that need to be improved and that have to be improved. But this is the progress. We will be improving step by step the democracy we are building together.

I want to emphasize that the most important point is that we have a growing feeling things can improve. For example, if you look at the construction index, you will see there is construction everywhere. There were even rumors that cement was scarce. This is not true, and that could be an indicator of speculation. No, there is sufficient cement. However, cement factories have had to increase their production because there is an increase in the Guatemalan construction industry.

More land is being planted in the country's interior. Despite the problems with the international economy because the coffee prices violently fell, the indicators of the Guatemalan economy are increasingly better for the Guatemalans.

In addition to increasing employment for Guatemalans and stabilizing prices, we must definitely be aware -- you must have also noticed -- that Guatemala's image abroad is improving daily. We can all be proud to be Guatemalan. When one goes abroad one sees that Guatemala is at the center of interest of all countries of the world. Guatemalan democracy is viewed with admiration. It is said we are the only Central American country that has been able to stabilize its currency and economy in this period of crisis. It is said we are one of the few geographically small countries that is big in objectives and national pride and has achieved an autonomous foreign policy. It is said we are really contributing to the search for peace in Central America. It is also said that despite the difficulties and tragedy we lived through some years ago during the authoritarian governments, political security has definitely increased and we are only experiencing some problems of common crime.

It is for this reason I wanted to speak to you about this positive attitude of the Guatemalan people and the majority of their institutions. This is also why I again want to speak about some attitudes that constantly harm us. Dear friends, I sincerely believe democracy is a challenge to change an attitude. When we previously lived under authoritarian regimes, it was justifiable to adopt de facto measures to be heard, to threaten so as to be heard, and to shout to be heard. By merely shouting, making threats, and speaking out loudly, one ran the risk of even being assassinated or sometimes being threatened, accused, or persecuted and of having to live in exile. There is no need for this now. The government has adopted a different attitude toward all the groups that bring up their problems. Some groups bring up problems that are difficult to resolve, but we listen to them, talk with them, hold a dialogue with them, and seek the best possible solution.

Therefore, democracy demands a different attitude. The traditional attitudes about everything being bad must be systematically rejected. One must definitely reject the old attitudes of some opposition leaders and trade union leaders who feel nothing can be resolved, who are against the government, and who think there is no possibility of dialogue. The new Guatemalan democracy, the democracy that we are all building, invites you to have positive attitudes, to have the courage to say: Yes, we are reaching agreement with the government because the government is no longer the enemy of the past.

Instead, it is the entity, the authority willing to talk with any sector or organization. It is not shameful to talk with the government. It is not shameful to say things are going well. If democracy triumphs, it is not a party that trimphs, it is not only the government that triumphs, it is not only the president who trimphs -- all Guatemalans triumph. Instead of confronting each other, let us reach agreement. Instead of systematically criticizing the government, let us criticize the real cause of the problems and sit down to talk with the government because this is the government of the people. This feeling is increasingly stronger among the Guatemalan people.

There are but a few leaders and people who continue to have that attitude of believing negative rumors. Sometimes there is an increase in speculation with the prices because there are rumors that the dollar became scarce. That is a lie. We have enough dollars at this time to work and buy supplies abroad. A rumor suddenly spreads that a tax will be levied, and immediately there is a speculative attitude among private enterprise because of a 15-percent tax rumor. One must ask questions. This is a government that wants to inform. If someone hears something about a tax increase, one should ask the government, because the current government is one that wants to talk about things with certainty, frankness, and courage. It wants to speak the truth. When it believes in something, it defends it; and when it is convinced something it has done was a mistake, it is always willing to change.

Therefore, my dear friends, there is no need to speculate or to believe in rumors. One must ask the government of the republic. There is no need to be ashamed because one has reached an agreement with the government, because this government was popularly elected. It is a government loved by the people. To reach an agreement with the government is to reach an agreement with the majority of Guatemalans who voted for this government. Therefore, the democracy we are building and that is moving ahead invites you to adopt a different attitude, to speak the truth, to stop the speculative reports, to stop believing rumors of any kind and instead to ask the government. If someone wants to know how many aides the government has, let that person ask the Finance Ministry. If someone wants to know how much the president of the republic earns, let that person go ask the Finance Ministry or the president. If someone wants to know how the country's money is spent, we can give you the answer. If someone does not agree with the way we spend the money, that person should tell us, and we will discuss it because we are willing to defend our views.

For example, recently we had a workers strike. Some union members, people in the street, and political leaders were saying this was a repressive government because it had not accepted a wage increase There was a strike but there were no broken heads or shattered store windows. Everyone acted as they should. The union members held their demonstrations peacefully and within the law. The government respected them and handled the traffic. We acted in a democratic and civilized way. However, I was surprised a short time ago when a group of people from a union movement charged that this is a most repressive government, which acts against human rights. This is unjust and a lie. We no longer remember when people were persecuted and killed for being members of a trade union, cooperative, or political party. There is no need for that. The people will appreciate it if all their leaders speak truthfully. Cordial and objective criticism of the government will achieve truly effective results. Criticism that is based on a lie will harm the government and be proven false. We are making efforts. If the government is destroyed and attacked, the problem is not solely the government's, it is the problem of democracy, which belongs to all of us.

For example, during the discussions with the union members, someone was saying there was no solution. There are several points in which we can reach agreement because the government has proposed several things that are good for the government workers. We cannot give an increase higher than the one offered of 25 quetzals in June. However, we could give a vacation bonus of up to 100 quetzals. We could establish the Civil Welfare Institute so workers could retire after a number of years with 100 percent of wages. For example, we could discuss with the workers reclassification so they will receive better wages in 1988. With this, the government will be allocating approximately 163 million quetzals to improve the workers' situation. However, we must also think about the people, and that is why the government cannot accept regular wage increases. Why? Because we would simply be causing inflation, and we have to control inflation so as not to harm the people. We must also think about improving private enterprise workers' wages, improving their minimum wage and the income they receive.

It was proposed that the government reduce its expenses. We have proposed the possibility of reducing expenses by up to 100 million quetzals because we think that at this time when we must all tighten our belts to face the situation, the government must also do so. Therefore, our attitude is reasonable because we have a commitment with the Guatemalan people. But this is true not only for the government but for the government workers, union leaders, popular leaders, and political leaders. We all have a commitment to our democracy, which has to move forward to benefit all Guatemalans. Thereore, all of us have a responsibility. The people are fulfilling theirs. They are confident and are working. They continue to have confidence in their democracy and support a government elected by the people, as we have shown and as we have seen in these polls.

However, all of us have a duty. The government workers have the duty to serve. The workers in the streets have the duty of doing their job, improving their working conditions, and trusting the development of democracy. Private enterprise has the duty of contributing and sharing its well-being with all the population. The government obviously has to try and fulfill its task of coordinating everyone's efforts, maintaining an attitude of patience and respect for laws and democracy.

Today, talking about positive news and insisting that democracy is a challenge for a new courageous, sincere, and vigorous attitude by the Guatemalan people who continue to be confident about democracy, I reiterate my confidence in the Guatemalan people. These polls show that regardless of reports or rumors that are not true, the Guatemalan people continue to be confident that democracy will move forward. They continue to be confident about everyone's coordination and efforts to push Guatemala forward. Democracy is a challenge for a new attitude, an attitude of solidarity, optimism, and joint work, because together we will move Guatemala forward.

FOREIGN MINISTER QUINONEZ DENIES U.S. PRESSURE

PA292157 Guatemala City PRENSA LIBRE in Spanish 28 May 87 p 4

[Text] Referring to statements made by Nicaraguan Vice Foreign Minister Jose Leon Talavera Lopez, Guatemalan Foreign Minister Mario Quinonez Amezquita said yesterday that Guatemala has not been pressured by the U.S. Government over its policy toward the Central American conflict.

Leon Talavera said the frequent visits of Philip Habib, U.S. roving ambassador for Central America, have the purpose of exerting pressure on the Central American governments to stop them from accepting a political solution to the conflict.

Quinonez said: We respect the opinion of Vice Minister Talavera, but we have not been pressured to change our policy.

We have repeatedly said that during Habib's visits we have only exchanged views about the current area situation.

Minister Quinonez concluded by saying that Habib has stated that he comes to Central America to collect information.

GOVERNMENT MINISTER ON DRUG CROP FUMIGATION

PA290009 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 27 May 87

[Text] Minister of Government Juan Jose Rodil Peralta, while taking direct responsibility for the fumigation [of drug crops] carried out with the support of the U.S. secretary of state and the DEA, said it is not just the United States, as great drug consumers, that benefited by the operation, but Guatemala as well.

Rodil Peralta argues that Guatemala is no longer a simple drug producer, because there has been a scandalous hike in consumption, especially among youths, and marihuana and cocaine use is becoming more widespread. It has not been established who are the owners of the crops. Deputies are especially interested in learning the outcome of the whole antidrug operation being carried out jointly with the United States and the Ministry of government in our territory. The deputies say that so far it is not known who is responsible or if anyone has been arrested; only the damage caused by the fumigation is known. Minister of Government Rodil Peralta added that there have been no arrests because identities are not known.

Minister Rodil Peralta argued that to discover and capture those who cultivate great plots of marihuana, it is necessary for U.S. investigators to come to Guatemala to carry out the operation. The government minister said: This will not be allowed, despite knowing they are part of an international drug trafficking network. As an example, the Interior Minister said that an enormous plantation was discovered recenty at the border vertex between Guatemala-Mexico-Belize, north of Peten, but nothing could be done as the plantation was being guarded by 70 heavily armed men.

BRIEFS

FOREIGN DEBT, RESERVES FIGURES -- According to Federico Linares, president of the Bank of Guatemala and the Monetary Board, Guatemala's foreign debt currently amounts to $2.504 billion. He said that as of 8 May, the country's international reserves amounted to $621 million, up from $421 million last May. He said this creates confidence and gives stability to the quetzal's exchange rate. [Summary] [Guatemala City PRENSA LIBRE in Spanish 20 May 87 p 4 PA]

EDITORIAL NOTES CONTINUING CONTRA PRESENCE

PA300256 San Pedro Sula TIEMPO in Spanish 29 May 87 p 6

[Editorial: "The 'Contras' Return and the Problems Grow"]

[Text] As was to be expected and despite the boastful forecasts made by General John Galvin, former commander of the U.S. Southern Command (Panama), the contras have again been repelled and badly hurt in their attempt to establish a beachhead in Nicaraguan territory bordering with Honduras, near Bocay, Olancho.

The EPS counteroffensive has been crushing and perhaps would have been even more overwhelming if the encircling operation had not stopped short of penetrating Honduran territory, to which the contras have again retreated to take shelter in their bases in our territory.

This situation shows, for the umpteenth time, that each day the contra problem is increasingly a Honduran problem because of our government's inability to make serious and firm decisions in accordance with our national interests.

A LA TRIBUNA report (28 May 87) states that "approximately 1,000 contras returned to Honduras on Saturday night, continuing to retreat from the northern part of Nicaragua as the EPS pursues them."

The tale that all the contras have gone to Nicaragua to fight has been exposed once again by statements made by Honduran farmers who reside in that region. The newspaper report says: "The contras continue to reside in the area from Capire to Yamales. Those gentlemen are there and have always been there..."

The newspaper adds: "Some 4,000 members of the rebel group have been relocated 50 km to the east in the area of Yamales, where the contra's Centre for Military Instruction operates, and some others remain near Capire at the Strategic Supply Center."

In these circumstances, Honduran nationals who resided in the area and were displaced by the contras continue to experience poverty and ostracism. To request that they return to their homes is self-defeating, because those who return soon have to leave again, as the problem continues to exist and there are no indications that it will change.

Finding no support from government, the villagers continue to seek a solution to their plight. The contras have not been "cleaned out" because those mercenary forces can easily return to our country when they are defeated or pursued by the EPS.

It was believed, because Honduran officials so implied, that at last the decision had been made to force the contras to go to Nicaragua to carry out their plan to bring down the Sandinist regime. It was to be a one-way trip. However, the reality has been otherwise, with things the same as always, a situation that makes Honduras, in conspiracy with the U.S. Government, the permanent aggressor of a neighboring country.

Honduran President Jose Azcona Hoyo stated at the International Court of Justice in The Hague that his government has not supported the contras because it has not given them a penny. Truthfully, Honduras has not given those mercenaries any money. The United States does that, as it is easier to disguise. The Honduran Government does something worse: It makes our national territory available, violating domestic and international law.

Three U.S. Democratic congressmen met with General Enrique Bermudez last week in his Yamales camp (the "strategic" one). After the meeting with the contra commander, congressman Harley Staggers stated: "It is my impression that there is a war going on here and that the contras are returning to Honduras. After visiting the command, [I can see that] there are contras in Honduras. I believe this is a subject that the government (of the United States) must study."

President Azcona and General Humberto Regalado Hernandez, commander of the Honduran Armed Forces, had previously promised the Honduran people that if the contras returned, it would be as refugees. That is to say, they would be disarmed and interned in camps that have been built for this purpose, far away from the border, of course. Judging by the facts, this pledge is not being honored.

GOVERNMENT REPORTS BORDER CLASH WITH EPS

PA292011 Tegucigalpa EL HERALDO in Spanish 29 May 87 p 4

[Text] El Paraiso -- Heavy fighting with rifles and artillery took place yesterday between Sandinist and Honduran Army troops in the border region, reports from the area indicate.

Currently, there are no figures on the number of possible casualities resulting from the clashes, because there is no access to the border area.

Honduran Armed Forces sources confirmed the clash, but the public relations office of the institution could not give further details because its director, Colonel Manuel Enrique Suarez Benavides, was not in his office. He is the only one authorized to give out information.

The strip of El Paraiso Department land that borders with Nicaragua, in the east, is the most affected area along the border. The latest Sandinist crossings into Honduran territory have been through that area thus turning it into the most troubled in Central America.

Honduras maintains a brigade in the area, according to previous reports from military officials in the country.

5 Killed in Clash

PA291953 Panama City ACAN in Spanish 1926 GMT 29 May 87

[Text] Tegucigalpa, 29 May (ACAN-EFE) -- Two Honduran soldiers and three Salvadoran guerrillas were killed in an armed clash near the Salvadoran border, an Army source reported in this capital today.

A Honduran Armed Forces communique states that the clash took place yesterday in the vicinity of the Santa Ana village in the western Intibuca Department on the border with El Salvador at 0630 hours (1230 GMT).

The military communique indicates that the Salvadoran guerrillas entered Honduran territory and clashed with a patrol in a battle that lasted more than 30 minutes.

In the clash Corporal Oscar Rodriguez Arriaga and Private Filecto Cruz were killed, along with 3 rebels who have not been identified.

It is reported that two knapsacks with Marxist-Leninist documents and the pseudonym of one of the guerrillas were found at the site of the clash, but the communique did not mention these reports.

BUSINESSMEN DENY URGING MILITARY TO STAGE COUP

PA290246 Panama City ACAN in Spanish 1456 GMT 28 May 87

[Text] Tegucigalpa, 28 May (ACAN-EFE) -- The Honduran Council for Private Enterprise (COHEP) today denied press reports that it had offered its support to the Armed Forces in an alleged coup.

COHEP President Jorge Gomez Andino said, "We met with the military high command last week. However, we only discussed matters pertaining to the conflictive situation in the agricultural sector and national security."

Press reports claimed that the businessmen had proposed to the military high command that a coup would be the solution to the increasing social unrest in the country, and that they had made this proposal after the military told them the leftist guerrillas were planning to kidnap many businessmen.

Gomez Andino said, "We did not propose any coup nor were we aware of any guerrilla plans to kidnap Honduran businessmen. All these reports are merely products of sick minds."

Gomez Andino said all Honduran businessmen, industrialists and merchants "favor democracy and constitutional order and have hailed the country's return to a de jure regime and its consolidation."

He stressed that any disruption of the country's constitutional order would merely delay the country's democratic development, "and to say that we would favor, abet, or support a coup is evil, malicious, and false."

PRESIDENT ORTEGA'S MOTHERS DAY ADDRESS

PA301717 Managua Radio Sandino in Spanish 1316 GMT 30 May 87

[Speech by President Daniel Ortega during a Mother's Day event held at the Nicaragua Textile Production Center in Managua -- live]

[Text] Good morning, Nicaraguan mothers. From this production center where many women work, from this production center that is a vanguard production center, we send out our greetings, affectionate embrace, and love to all Nicaraguan mothers on their day.

During the month of May, the rains are a ray of hope for our people. Rain represents life and production. During this rainy month of May we celebrate Mother's Day. It is our duty to speak of all Nicaraguan mothers. We must honor all Nicaraguan mothers, without exceptions. The Nicaraguan people are a people who continue to rise, produce, and live, thanks to the efforts of the mothers.

We are celebrating this 1987 Mother's Day amid hopes, happiness, and suffering . If there is one person who really suffers in this country, it is the Nicaraguan mother. If there is one person who injects strength and optimism in the home, neighborhood, city, and throughout the country, that person is the mother, the mother's love. We are celebrating this Mother's Day under well-known conditions of suffering of the people, which is caused from the aggression that comes from abroad, from the aggression that comes from U.S. leaders.

I cannot speak of mothers without mentioning aggression, because here in Nicaragua, all the mothers are victims of aggression. They were victims of aggression in the past, during the Somozist domination. During those days, mothers suffered discrimination, exploitation, and repression. They faced all this at the side of their children, husbands, brothers, and other family members. Today, after the triumph of the revolution, the mothers continue to suffer. They continue to struggle with optimism, work with enthusiasm and happiness, and continue to suffer -- above all, they continue to suffer.

There are also the mothers of the counterrevolutionaries. There are also the mothers of thousands of Nicaraguans who, also being victimized by the U.S. Administration's terrorist policy and receiving a salary from the United States, have been murdering the people. They are also victims of the U.S. aggressive policy. Their mothers also suffer.

If a mercenary, a counterrevolutionary were to ask his mother if she agrees that he should work as a mercenary paid by the U.S. Administration to destroy schools and health centers and kill children, mothers, and youths, we are completely sure his mother would say: No, son, do not do that.

Therefore, those mothers of the mercenaries who have died because they were attacking the Nicaraguan people are part of the suffering of the Nicaraguan mothers. Those mothers whose sons are in jail because they were guardsmen during the time of Somoza and who have been convicted because they committed cruel crimes, those mothers who now have their sons in jail because they were involved in counterrevolutionary activities, all those mothers are also suffering. This is what Reagan's policy has brought to Nicaragua: grief and suffering, grief and suffering for all mothers, for the mothers of the revolutionaries, for the mothers of the combatants grief and suffering for the Nicaraguan family because of the mothers who are murdered by those mercenaries; and grief and suffering for the mercenaries' mothers who we are sure do not agree with their sons' criminal behavior.

With his policy, Reagan not only brings suffering to Nicaraguan mothers. He also brings suffering to the mothers in other countries. He brings suffering to the mothers of the volunteers from other countries who have been murdered in Nicaragua, because the mother of a Spanish, Swiss, Belgian, French, German or Cuban volunteer, doctor, technician, or professional has suffered and suffers the same. She knows that her son who came to Nicaragua to help the Nicaraguans was murdered by the U.S. Government. This mother who lost her son this way suffers the same as the Nicaraguan mothers.

However, Reagan has not been satisfied with bringing suffering to mothers in Nicaragua, Spain, Switzerland, France, Germany, Cuba, and other countries, because there is also suffering by thousands of mothers who have their sons working as volunteers with the peasants, with the people in war zones. They are suffering the same as the Nicaraguan mothers, because at any moment they can receive the sad and hard news that they have lost their sons.

As I was saying, Reagan has not only brought suffering to Nicaraguan mothers and to the mothers of the volunteers from many countries who are working in Nicaragua and others who have been murdered. Reagan has also brought suffering to U.S. mothers.

By implementing a cruel policy, Reagan also makes U.S. mothers suffer. With his policy, Reagan caused the death, the assassination of U.S. helper Benjamin Linder. Reagan is the one causing all the suffering and pain in the family of this U.S. helper, and Reagan is the one causing all the suffering and pain on Linder's mother. Reagan causes suffering and pain on hundreds of U.S. mothers who know their sons are here in Nicaragua and that at anytime they could lose them. Reagan is carrying out a cruel policy; Reagan is torturing Nicaraguan mothers; Reagan is torturing mothers of different nationalities; Reagan is torturing U.S. mothers. When will Reagan stop torturing the mothers of the world?

On this Mother's Day, we are not going to insult Reagan; we are not insulting him; and we are not interested in insulting him. We are simply speaking of facts. Anyone who defends a terrorist policy and pays mercenaries to kill Nicaraguan mothers is acting like a cruel scourge and with cruelty.

The person who causes suffering among the mothers of the counterrevolutionaries -- because they get killed in combat and go to jail -- the person who causes the suffering of the mothers of the dead counterrevolutionaries is President Reagan. That is a policy of cruelty and torture. The person who causes the suffering and sorrow of U.S. mothers is President Reagan with his cruel and terrorist policy.

I am doing nothing more than stating the facts. As I said, I will not insult Reagan on Mother's Day. Perhaps, if Reagan's mother were alive -- I think Reagan's mother has already passed away -- she would be advising him to change his attitude and policy and stop making Nicaraguan mothers suffer.

What is our message on this Mother's Day amid a situation such as the one we live in Nicaragua -- a situation of permanent aggression on the part of the U.S. Government that causes the death of Nicaraguan people, that causes damages to the country's economy, and that causes shortages in the country? What is our message? Our message is of work; our message is our daily behavior; our message is the decision to work efficiently and with discipline; our message is to continue defending the revolution to defeat once and for all the mercenary forces and to defeat once and for all Reagan policy so the Nicaraguan people and others can stop suffering; our message is one of dialogue with the U.S. Government so the war may end and we may work in peace; our message is that the mercenaries who are involved in terrorist activities accept the amnesty, lay down their weapons, and ease the suffering of the Nicaraguan people and mothers; our is a message full of fighting spirit, of hard work, and of peace, because that is what the Nicaraguan people want and that is what the Nicaraguan mothers want.

Long live Nicaraguan mothers! Long live the mothers of other countries who have their children working here! Long live U.S. mothers! Long live peace! [applause]

FSLN DIRECTORATE ISSUES MOTHERS DAY MESSAGE

PA302033 Managua Radio Sandino in Spanish 1200 GMT 30 May 87

["Message" to Nicaraguan mothers from the FSLN National Directorate on the occasion of Mothers Day, 30 May]

[Text] Today, when Nicaraguans render just tribute to the mothers of our people, the FSLN believes it must recall what it said in its 8 March proclamation regarding our country's women. Women have been a fundamental pillar of the Nicaraguan family, defending and maintaining it even in the most difficult circumstances. Therefore, they have become worthy of the highest respect and admiration.

The FSLN National Directorate said in that proclamation that as mothers, woman became a symbol of courage and strength, representatives of our people's morale and dignity; mothers of political prisoners, mothers of disappeared, mothers of tortured individuals, mothers who bore their grief with dignity, struggling in the streets, denouncing the genocide committed by the guardsmen in the mountains, declaring hunger strikes, or receiving the clandestine fighters as sons.

Because of this, the FSLN National Directorate believes the best tribute that all the people and the Sandinists can give to our mothers today is to reiterate and implement the principles expressed in the proclamation. We will continue to invest resources and efforts to support the family in the care of children, especially the abandoned mothers, and create the conditions that will facilitate their incorporation into productive and social tasks. We will struggle so women can fulfill their maternal function and family responsibilities in increasingly better conditions and without having these responsibilities become insurmountable obstacles for their own personal development and fulfillment.

We will continue to struggle against irresponsible paternity and the physical and moral mistreatment of women and children, promoting at the social and institutional levels a firmer reaction against those responsible for that conduct. We are going to promote an effective solidarity within couples with regard to domestic tasks and family responsibilities.

Managua, 30 May 1987

FSLN SAYS CIA TRYING TO 'UNITE' INDIANS

PA292002 Managua Radio Sandino in Spanish 1200 GMT 29 May 87

[Text] On 10 June, the CIA will unite the Indian rebel groups. Ray Hooker, FSLN representative at the National Assembly and a member of the National Autonomy Commission, said that the meeting of the chiefs will be held on 10 June, possibly in Rus Rus [in Honduras]. He added that the main leaders of the MISURA [Miskitos, Sumus and Ramas], MISURASATA [Miskito, Sumu, Rama, Sandinist Unity], and Fighting KISAN [Unity of the Nicaraguan Atlantic Coast Indigenous Peoples] have organized visits to the refugee camps in Honduras and that their small groups operating inside the country are proclaiming their possible unity.

According to Subcommander Leonel Espinoza, this is a desperate measure ordered by the CIA to prevent the political collapse of its plan on the Atlantic coast. The military action by troops of the EPS and the MINT [Interior Ministry] have weakened the contras. Added to the airlift [of repatriated Indian refugees] successfully begun by various institutions, including the UN specialized institution [the office of the UN High Commissioner for Refugees] the military action threatens to strategically defeat the mercenary plans for the zone.

U.S. Government officials along with rebel Indian chieftains are pressuring the Miskito refugees in Honduras not to return to Nicaragua. This charge was made yesterday by Subcommander Leonel Espinoza, delegate of the MINT in Special Zone II, and Ray Hooker in a news conference in Bluefields. According to them, the CIA has ordered the unification of the leadership of the Miskito groups, KISAN, MISURASATA, and fighting KISAN, so that it can eventually integrate them into the new political-military project known as UNO [Nicaraguan Opposition Unity]. According to Hooker, Brooklyn Rivera, Steadman Fagoth, and Wycliffe Diego, chieftains of these rebel Indian groups, have accompanied U.S. Government agents who visit the refugee camps to exert pressure and prevent the repatriation of those who have decided to participate in the airlift. There is already (?unity) among Fagoth, Rivera, and Diego. They are talking about unity and trying to confuse the Miskitos, Ray Hooker said.

MILITARY, ECONOMIC SITUATION IN COUNTRY VIEWED

PA310010 Madrid EFE in Spanish 1046 GMT 30 May 87

[Report by Filadelfo Martinez]

[Text] Managua, 30 May (EFE) -- Nicaragua, a country with a population of 3 million people and facing a war situation for the past 6 years, currently spends all its regular revenues in the military field. "All of the state's regular revenues go for the nation's defense," said Commander Jaime Wheelock, minister of agricultural-livestock development and agrarian reform.

According to sources from the private sector, which is opposed to the Sandinist regime, Nicaragua's budget has increased from 3.190 billion cordobas in 1978 to 205.433 billion in 1986. Nicaragua's budget has increased 64-fold from 1978 to 1986.

The warlike situation in that Central American country has caused a fiscal deficit that totaled 1.532 billion cordobas in 1978 and climbed to 74.216 billion cordobas in 1986. The fiscal deficit, which is one of the factors contributing to the country's huge inflation, increased 48-fold during the same period. Very little official information is available regarding the size of Nicaragua's army.

The leaders of the Sandinist revolution constantly say that what exists in Nicaragua are "people in arms." They claim that if necessary, they could arm 300,000 Nicaraguans. A report on the Sandinist Armed Forces -- which will commemorate their 8th anniversary on 2 September -- was published in April, on the occasion of the 77th Interparliamentary Union conference in Managua, which 1,000 parliamentarians from all over the world attended.

Since the end of 1983, when the U.S. "undeclared war" against Nicaragua worsened, the Nicaraguan Army has been expanded in order to create a national defense system to face the actions of the "unconventional counterrevolutionary forces" and a possible U.S. invasion. According to the official report, "there are currently approximately 250,000 armed Nicaraguans." The report added that "the EPS permanent forces represent 24 percent of that total, while the remaining 76 precent (190,000) are civilian citizens who have been incorporated into the defense system without having to leave their jobs."

However, U.S. military sources have estimated that the Nicaraguan Army is made up of a permanent force of 120,000 men. The same sources have said that the main suppliers of military equipment for the EPS are the USSR, Bulgaria, the GDR, Cuba, North Korea, and Libya. It is known that France is the only West European country that sent weapons to Nicaragua until 1981.

In a statement made in the FRG during the second half of May, Managua's Archbishop Cardinal Miguel Obando y Bravo called upon all the sectors involved in the Nicaraguan domestic conflict to stop sending military aid to that country. Obando y Bravo said: "I would prefer to see the aid in tanks and rifles changed to cooperation that will really benefit the Nicaraguan people."

In a recent speech delivered to workers at the National University, Commander Jaime Wheelock said "were it not for the war, we would have a small army."

Commander Henry Ruiz, the minister of foreign cooperation, has estimated the damage caused by the war in Nicaragua during the past 6 years at $2.8 billion. Ruiz, who is one of the nine commanders of the Sandinist Directorate, said that the war has already claimed 40,000 victims, dead and wounded.

DELVALLE SAYS RELATIONS WITH U.S. 'GOOD'

PA312209 Panama City LA ESTRELLA DE PANAMA in Spanish 31 May 87 p B14

[News conference with President Eric Arturo Delvalle with unidentified reporters upon his return from official state visits to Israel, Italy, and the United States in a room of the air terminal of the Panamanian Air Force; date not given]

[Excerpt] [passage omitted] [Reporter] You have said that the Central American problem has been caused by the East-West power centers. However, there are many indications that the Central American situation is a result of the social problems that exist in the area.

[Delvalle] I believe we all have our own personal opinion on the Central American problem. I believe that in Central America there is not only the ideological problem, but also social and economic problems.

[Reporter] Mr President, in the United States you said there are very good relations with the U.S. Government -- between Panama and the United States -- and that at a suitable moment you would be deciding whether or not to negotiate the presence of U.S. troops in bases in Panama. In the meantime, in Madrid, the president of the Democratic Revolutionary Party was charging that there are some campaigns against Panama coming from the United States that are being backed by the Reagan administration. According to those charges, that campaign is aimed at discrediting your administration. Is this an indication that there are contradictions in your government?

[Delvalle] First, I want to make it clear that I have never said Panama must provide bases or anything like that. That was a suggestion by the journalist. I think that relations with the U.S. are good. I have no reason to believe that relations with the U.S. Government are bad. If the interventions of some senators have been negative for us, this does not make the U.S. Government an enemy of the Panamanian Government. This is why I do not characterize that sort of problem as a problem with the U.S. Government. [passage omitted]

DELVALLE WILLING TO TRAVEL TO U.S. OVER LAW 96-70

PA312237 Panama City CRITICA in Spanish 30 May 87 pp 1, 41

[Text] President Eric Arturo Delvalle is ready to go to Washington if this were necessary to eliminate all the bitterness and distrust now preventing the modification of Law 96-70.

This patriotic position of the Panamanian Government was made known to a group of U.S. representatives who were received at the Palace of the Herons.

The U.S. delegation was headed by W. Tauzin, a Democrat, who is a member of the Merchant Marine and Fisheries Committee, which deals with Panama Canal related matters.

Tauzin was accompanied by Thomas Manton, also a Democrat; Jack Fields, Republican; Owen Pickett, Democrat; Wallace Henderson, who is a member of the canal subcommittee; Harry Burroughs; and Ambassdor Arthur Davis.

Following a substantial review of bilateral relations, the two sides agreed that differences should be resolved for the benefit of the two countries and the users of the Panama Canal.

The meeting was also used to discuss the expansion of Culebra Cut, forced retirement, and the increase in the payment of interest to the U.S. Government.

Regarding the expansion of Culebra Cut, a study indicates that the expansion work should be completed by the middle of 1990. It was noted on the subject of forced retirement that legislation is necessary to exempt Panama Canal Commission employees from the law on future retirement that was recently approved. Regarding the increase in the payment of interest to the U.S. Government, it was noted that increases in expenditures without having any increase in income find their expression in the form of a decrease in canal maintenance, improvement, and training programs.

President Delvalle could present Panama's position to the members of the committee and to the U.S. Congress in general to smooth all the rough edges and overcome the distrust that prevents a substantial modification of Law 96-70. The U.S. representatives who went to the palace were informed about this.

Delvalle was accompanied by Foreign Minister Jorge Abadia. Dennis Mcauliffe and Fernando Manfredo, administrator and deputy administrator, respectively, of the Panama Canal Commission, also attended the meeting.

RELEASED CUBAN POLITICAL PRISONER ARRIVES

PA300112 Panama City Circuito RPC Television in Spanish 1730 GMT 29 May 87

[Excerpts] Roberto Martin Perez, a former Cuban anticommunist prisoner, arrived from Havana, Cuba today on a FAP [Panamanian Air Force] plane. He was accompanied only by the Panamanian officers who traveled to the Caribbean island to bring him here.

Martin Perez, until today the political prisoner who spent the longest time in jail in the world, was released thanks to the personal efforts of General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces.

Roberto Martin Perez' wife, daughter, and other relatives traveled to Panama to welcome him at the FAP air terminal.

[Begin recording] [Passage omitted] [Reporter] There is a worldwide campaign claiming that Mandela of South Africa is the political prisoner who has been in jail the longest.

[Perez] You as a newsman must realize that Communists never tell the truth. In fact, when they tell you to go south, and you wish to find the truth, you should go north; that way, you will find the surest path to happiness.

[Reporter] What is in store for Roberto Martin Perez' future in exile?

[Perez] In my future? Struggle, dedication to a cause; Nicaragua, Angola, and Afghanistan... [passage omitted]

[Reporter] Where will you be based? Where will you live?

[Perez] I do not know where; I could live in the United States tomorrow and in Angola or Nicaragua the next day. I do not know.

[Reporter] Do you have a permit from the U.S. Government to....

[Perez] I think so; I think that I should have a permit to enter the United States, because I believe it is our ally; they know about my struggle and my agreement with President Reagan's foreign policy. Therefore, I do not think I will have any problems traveling to the United States when I wish. [end recording]

Further Report

PA302118 Panama City LA PRENSA in Spanish 30 May 87 p 1a

[By Manuel Alvarez Cedeno]

[Text] After 28 years of imprisonment in Cuban jails, Roberto Martin Perez, the Cuban political exile, has arrived in Panama from Cuba.

Perez, who traveled to Panama aboard an FAP plane, registration number HP 500, arrived at the FAP terminal, in Tocumen, at 1030 yesterday morning.

Shortly after his arrival in Panama, the Cuban exile held a news conference during which he announced that he will continue to struggle against what he described as Fidel Castro's communist dictatorship.

Despite his 28 years in prison, Martin Perez at all times displayed a strong determination to continue struggling based on the same ideals that prompted his arrest and his lengthy confinement.

Roberto Martin Perez was accompanied by his daughters, Ada Perez and Susana Diaz [name as published], his mother, Candida Rodriguez, and his grandchildren, Roberto and Glenda Menes. He said his release was achieved thanks to the humanitarian efforts of the Panamanian Government and its Defense Forces, through Gen Manuel Antonio Noriega, before the Cuban president.

During the meeting with the press, the former Cuban prisoner said there are approximately 130 political prisoners currently serving sentences in jails throughout the country.

Of the 130 political prisoners, 74 are being held in the historic jail [presidio historico], 53 in the new political jail, and 3 or 4 are in Camaguey. These prisoners are the most punished and beaten by Fidel Castro's regime.

Martin Perez, considered to be one of the oldest political prisoners on the island of Cuba, said that he has not thought about settling in a specific place.

HONDURAN EMBASSY RELEASES COMMUNIQUE ON TRADE

PA300045 Panama City LA ESTRELLA DE PANAMA in Spanish 28 May 87 p a-1

[Text] According to a communique released by the Honduran Embassy in Panama City, Honduras has not closed its border to Panamanian trade.

In the communique, the embassy comments on the regional situation and the measures the Honduran Government has taken.

The bilateral trade agreements dealing with products manufactured in the two countries are still in force and efforts are being made to increase the number of these products. The restrictions Honduras advocates deal with products imported from outside Central America and from Panama. These products are distributed by the Colon Free Zone. The Panamanian people must be aware that trade of these products has not been banned altogether. Honduran businessmen are allowed to import from the Free Zone both by air and sea. These imports are better controlled by the Honduran General Customs Directorate.

At no time have we charged the Free Zone businessmen with smuggling, but the existing free trade system leads to improper handling of the purchase and sales operations of the Free Zone customers. These customers bribe Honduran authorities, bring high quality merchandise into Honduras, and sell it at very low prices at the local market, thus unfairly competing with local manufacturers because electric appliances, such as stoves, refrigerators, radios, television sets, etc., are also manufactured in El Salvador, Guatemala, and Honduras. Thousands of local workers are employed.

Our government has received complaints from our private sectors and workers organizations, which are trying to end the smuggling activities. At the last meeting of economy ministers in Guatemala, it was decided to postpone the closing of merchandise transit for 45 days, but it was also agreed that it was a provisional measure until a commission formed by customs officials of the three Central American countries [Honduras, Guatemala, El Salvador] establish measures to control smuggling. The Panamanian Commerce and Industries Ministry authorities agreed to support the measures.

There will be another meeting of economy and commerce ministers to learn about the customs control measures proposed by the aforementioned commission and then the transit of merchandise through the three countries involved in the problem will return to normal. Honduras reiterates to the Panamanian people and Government its wish to maintain its traditional trade relations with Panama, provided that our country's economic interests are not harmed.

SENATE APPROVES MODIFIED DUE OBEDIENCE BILL

PY291417 Buenos Aires TELAM in Spanish 1126 GMT 29 May 87

[Text] Buenos Aires, 29 May (TELAM) -- The Senate has approved, with modifications, the Due Obedience Bill that had already been approved by the Chamber of Deputies. The bill will now be resubmitted to the lower house.

The major change was the inclusion of a paragraph in Article No 1 of the draft, extending impunity to higher-ranking officers who did not hold posts of commander in chief, chief of zone, chief of subzone, chief of the security or police force, or prison director, if it is not legally established, within 30 days after the law is sanctioned, that they had decisionmaking power or participated in generating orders.

The amendment was proposed by Liberal Senator Ricardo Leconte from Corrientes Province. Another amendment, regarding the form of Article No 3, was also approved.

The Senate session did not begin until 2225, and it came at the end of a long day of meetings and negotiations which took place in various parts of the Congress building, the Olivos presidental residence, and Government House.

As a result of the negotiations, a consensus was reached. When defending his proposed amendment, Leconte said his proposal was the result of talks held by Radical and Provincial senators.

The first speaker of the session was Fernando de la Rua, who defended the executive branch's proposal from a political point of view. He briefly reviewed the reasons behind the initiative. De la Rua was followed by 14 other senators who addressed the session.

Justicialist Senators Juan Carlos Romero -- whose presence made the necessary quorum for the session -- and Eduardo Menem explained their own reasons for being against the proposal.

Romero said he favored a broad change in the military structure, while Menem criticized what he called the judicial flaws of the proposal, which he termed a true scourge to Argentine legislation and charged it with violating basic laws of our Constitution.

The other two Justicialist senators present, Libardo Sanchez and Rogelio Nieves, did not address the session, but Sanchez supported Menem and voted against the draft bill, while Nieves voted in favor.

Manuel Vidal of the MID [Integration and Development Movement] of Formosa, opposed and voted against the proposal noting, among other things, that the trials must be returned to the appropriate judges, that is, the military. The San Juan Bloc Party, whose stance was presented by Leopoldo Bravo, voted in favor making [passage indistinct].

The Corrientes senators adopted a similar attitude, and they both explained their position to the group. Both Gabriel Feris and Ricardo Leconte, with different rhetorical emphasis, explained that they advocate broader measures aimed at forgetting the past. They added that they will approve the bill only if it is amended.

The speeches by each of the nine Radical Party lawmakers who supported the bill showed different approaches. Some of them, like Hipolito Yrigoyen, in his first speech since rejoining Congress, and [words indistinct] Jose Falsone, Adolfo Gass, and Luis Leon, did not hesitate to point to those topics in the bill with which they disagreed. Others, like Fernando de la Rua, Luis Brasesco, Ricardo Laferriere, and Antonio Berhongaray, stressed the political need to approve the bill for the sake of reconciliation and understanding among Argentines and for the strengthening of democracy.

After almost 7 hours of debate, the 18 Radical senators, the 2 San Juan senators, the 2 Corrientes senators, and Justicialist Senator Nieves voted for the approval of the general text of the bill.

Justicialist Senators Menem, Sanchez, and Romero and Developmentist Party Senator Vidal voted against it. Only 27 senators could be gathered for the vote.

When each article of the bill was voted on, Articles 1 and 3 were amended at the request of Senator Leconte, broadening the scope of the benefits granted by the bill. Seven senators voted against the bill, both during the vote on the general text and during the vote on each article of the bill. After the general text of the bill was approved, Menem and Sanchez asked for permission to leave. Romero, Vidal, and Radicals Solari Yrigoyen, Mauhum, Del Villar, Gass, and Falsone opposed the amendments.

Fourteen Radical senators, 2 Corrientes senators, and 2 [words indistinct] voted for the amended text. It how has to be approved by the Chamber of Deputies.

Military Express 'Satisfaction'

PY292253 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2230 GMT 29 May 87

[Excerpt] Buenos Aires, 29 May (NA) -- Government sources have officially reported that during a meeting held this afternoon at Government House, the Armed Forces commanders have expressed their "satisfaction" with President Raul Alfonsin over the approval of the Due Obedience Bill and the remittance of the bill with some amendments to the Chamber of Deputies.

Presidential Spokesman Jose Ignacio Lopez has categorically denied that Defense Minister Horacio Jaunarena has tendered his resignation.

Present at the meeting at the Olivos presidential residence were: General Teodoro Waldner, joint chief of staff; General Jose Caridi, Army chief of staff; Admiral Ruben Arosa, Navy chief of staff; and General Ernesto Crespo, Air Force chief of staff. [passage omitted]

MOREAU 'MAY' REPLACE JAUNARENA AS DEFENSE MINISTER

PY292152 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2140 GMT 29 May 87

[Excerpt] Buenos Aires, 29 May (NA) -- According to reliable sources, Deputy Leopoldo Moreau may be appointed defense minister, replacing current Defense Minister Horacio Jaunarena. The same sources added that Moreau is one of the possible candidates for the post along with Senator Juan Trilla and Entre Rios Governor Sergio Montiel. [passage omitted]

POLICE GUARDING ARMED FORCES BUILDINGS

PY310352 Buenos Aires DYN in Spanish 0336 GMT 31 May 87

[Text] Burenos Aires, 31 May (DYN) -- Since early this morning, Sunday, 31 May, the federal police have been in charge of security at Armed Forces units in the metropolitan area. This is a safety measure in case of attacks or harassment activities carried out against Armed Forces units.

Police precincts have been entrusted with patrolling and guarding these buildings. They are being supported by radio patrol units and infantry patrols. The police also are exerting selective control of cars and patrolling strategic locations throughout the city.

GENERAL CARIDI DELIVERS ARMY DAY SPEECH

PY291651 Buenos Aires TELAM in Spanish 1500 GMT 29 May 87

[Report on speech by Army Chief of Staff General Dante Caridi on Army Day -- date and place not given. Quotation marks as received]

[Text] Buenos Aires, 29 May (TELAM) -- In a speech delivered during the main ceremony marking Army Day, Army Chief of Staff General Dante Caridi recalled that on 29 May 1810 the first government junta gave legal status to the armed groups that defeated the British invaders, thus formally creating the Army [words indistinct] fatherland.

Caridi added that the corresponding junta resolution said: "The energy with which you have strengthened the authority of our fatherland reflects the glory of our Army, just as your mature behavior reflects your generosity and patriotism." Caridi continued reading the document that created the Argentine Army: "Despite the agitation caused by the uncertainty of our existence as a political organization, you have managed to reconcile your enthusiastic drive with the serenity of [words indistinct] presided over by Defense Minister Horacio Jaunarena, at the military school's field of mirrors [campo de los espejos del colegio militar de la nacion].

Caridi added that the Army defended the fatherland even before the birth of the new country, protecting the new being and playing a major role in its birth, as a glorious page in history. This crucial circumstance marked the unbreakable, intimate links that bind the history of our country and the history of the Army, he stressed.

The Amry chief of staff remarked that the war of independence, the war in defense of the national sovereignty, the struggle for organizing the nation, the conquest of the desert, and the settlement in the most remote regions of the fatherland are landmarks which have also linked, in a definite and at times dramatic manner, the history of the fatherland with the history of the Army.

Caridi added: During the recent period of the life of the institution, General Ricchieri implemented a major reorganization in the old and glorious national Army, beginning a genuinely different stage. He added that more recently Generals Savio and Masconi [founders of the Argentine petrochemical industry] left indelible signs of their contribution, through their action as pioneers of the Argentine industrial development.

Caridi then said: Afterward, unfortunately, the weakness of the institutions, the lack of a balanced civic culture, the influence in the country of foreign ideologies incompatible with the republican system, and the wrong idea regarding the Army's role within this system, prompted the beginning of a lengthy period of disagreements among Argentines. He explained that the participation of the Army in these events can be attributed to the fact that it was tempted, dragged, or even forced by serious national circumstances which, to a certain extent, justified that intervention. That intervention, however, has distanced the Army from the specific role provided by the law, a fact which, from a political point of view, does not compensate for the nobleness and the legitimacy of the objectives. The objective was to help the nation, but in the end we hurt the Republic, he stated.

Caridi went on to say that today's Army acknowledges this but with no intention of bringing anyone to court or handing down any sentence: We all have been, to a certain extent, participants, and thus, to a certain degree, responsible. We say this because that is the way it happened. This statement expresses our simple observation of reality, and with it, our recognition of errors committed.

Gen Caridi added: The Armed Forces, the Army, want each and every sector of society to look deeply inward in order to eradicate, once and for all, the fantasies of hatred, disunion, revenge and selfishness that so greatly damage the Argentines. With no arrogance, he went on to say, but with courage, and showing absolute honesty, we must carry out this act of national greatness. The Army trusts, hopes, and wishes that all together we will be able to achieve it.

He then recalled that together with the other branches of the Armed Forces, the Army fought in the South Atlantic with the means it had at hand, confronting an enemy which was technologically far better prepared, however, above anything else, it added to long-standing virtues of valor and heroism in an effort to recover the yet unredeemed Malvinas Islands. We keep this fact deep in our hearts and claim the islands as an unrenounceable patrimony, he stated. He added that in the recent past, the Army, again within the framework of the Armed Forces, had to engage in a war against subversion. This situation and its unique circumstances led us to choose, once all other means and institutional resources had been exhausted, and considering the growing and overwhelming terrorist aggression, the only valid alternative: the annihilation of terrorism to preserve the nation's existence. The other option meant allowing the victory of subversion, and with it, the disappearance of the institutions and the Argentine way of life.

This war, Gen Caridi said, has left deep, painful scars on the social body of the nation. However, we Argentines need to reconcile. Everyone should help reach this important objective because without a doubt it will be achieved happily, and it will definitely open the doors to the more promising future which has been denied us so many times. The Army, he continued, has paid dearly for the military victory over subversion: long years of struggle against a treacherous, sly, and cruel enemy, many casualties and martyrs, the indifferent and even aggressive attitude of citizens, the sentences against the commanders, ad the trial of many of our comrades. This is why, he added, the Argentine Army was convinced of the need to declare war on subversion. The Army is now asking for political means that will permit a positive definition of the consequences of this war. Since national reconciliation is essential, the Army wishes humbly, earnestly, and without arrogance together with the rest of society, to make an effort to ensure this much wanted reconciliation. The Army faces with determination the task of becoming and agile, flexible, and powerful instrument, through the reorganization and modernization of all its sections and systems, to comply better with its duties.

The Army chief of staff said that among the Army's main objectives are: effective joint cooperation among the Armed Forces, greater integration with the civilian sector, and appropriate levels of participation in certain aspects of national technological development. We want a modern Army, he said, and for this we must return to our sources because only by remaining faithful to our traditions and history will we be able to build a military force suitable for the current and future requirements. In order to attain this objective, he said, we must strengthen our force basing ourselves on the principles of San Martin's military ethic: honor, loyalty, respect, austerity, spirit of sacrifice, modesty, and love of service, as well as the normal professional values: discipline, subordination, espirit de corps, and the fair exercise of authority.

In order to become the land military instrument we wish to be, with appropriate professional capacity and a high republican spirit, it is necessary that our officers dedicate themselves exclusively to their service; that is, that they fully give themselves to their profession, Caridi said.

Budget support is essential for this, he said, in order to give a decent standard of living to the families of military officers. Other essential aspects are: an appropriate institutional participation in national defense problems, and most important, respect for the dignity of the Army and its members as a basic Argentine institution. As the person responsible for leading the Army, Caridi said in the final part of his speech, I greet my officers and noncommissioned officers who in silence comply with their duty in the different garrisons of the country, with total dedication and exemplary vocation to service.

Later, while addressing reserve personnel Caridi said: You are part of this institution's active reserve, you are members of cadres that span from the most modern active service corporal to the most senior officer in the Armed Forces. We are aware that you feel strongly over the institution that does not and will not discriminate between the ranks just to meet the needs or requirements of any comrade-in-arms. Here, today, I urge each and everyone of you to tighten your allegiance to our dear Army.

Gen Caridi then addressed the conscripts: I want to point out that military service must be undertaken as an act of love for the fatherland and of service to the republican institutions, and not as a simple obligation, lacking any identity or meaning.

To the reservists and war veterans he voiced his deep appreciation for their efforts and dedication during times of peace and for their courage and heroism during difficult moments of combat and [words indistinct] voiced his gratitude for their silent and efficient work, and for their loyalty and unselfishnes, virtues that represent an invaluable contribution to the institution.

To our families, he went on to say, our deepest gratitude for their understanding and unselfishness. They represent the necessary spiritual pillar with which to overcome the difficulties of the chosen career, they preserve in their hearts with fervor and pride the pain and memory of their loved ones who die defending the basic values of the nation and restoring sovereign rights.

To my fellow citizens: I remind you that this is "your Army," the Army of everyone, the one that has fought in Latin America's battle fields, contributing to the freedom of all brother nations, the same one that emerged glorious in Chacabuco and Maipu; that managed to overcome, with dignity and spirit of sacrifice, the defeats of Vilcapugio and Cancha Rayada; the same one that, together with the rest of the Argentine society, has shared successes, mistakes, victories and failures.

Finally, he added, our respectful homage to all the members of the Army that died heroically fulfilling their duty, and those who preceded us from the times of the independence to today. Their memory undoubtedly stimulates our efforts and sheds a beam of light on the path of our duty.

Gen Caridi ended by praying to God, our Father, that he may guide our steps on the path that leads us to the glory of our fatherland. He then issued to the troops present the traditional order: Argentine Army troops: subordination and courage.

AIR FORCE DENIES GREPSO DISPUTE WITH ARMY OFFICER

PY292311 Buenos Aires TELAM in Spanish 1833 GMT 29 May 87

[Text] Buenos Aires, 29 May (TELAM) -- The Argentine Air Force has issued a note that describes as false and groundless an article published in a Buenos Aires morning newspaper today that reported an alleged dispute between Major General Ernesto Crespo, Air Force chief of staff, and an Army officer.

The note states that, at a moment when the country needs moderation, balance, and the goodwill of all citizens, it should be investigated why some people are attempting to discredit and irritate the members of the Armed Forces by setting one of its branches against the other.

The following is the text of the note:

Concerning the article published today by the morning newspaper AMBITO FINANCIERO, in which the author, Mr Carlos Tortora, says that Maj Gen Ernesto Horacio Crespo, Air Force chief of staff, had a dispute with a member of the Argentine Army, the Air Force General Staff informs the public that the contents of the mentioned article are entirely false and groundless, for the following reasons:

1. At the time of the alleged dispute the Air Force chief of staff was abroad and only returned to the country on the afternoon of 25 May 1987, for which reason he had no knowledge of the alleged dispute.

2. The Air Force chief of staff has no contacts with medium-ranking officers of other branches of the Armed Forces. When he must contact such officers, he does so through the chief of staff of that service.

3. Air Force officers have not met or made contact with their Army colleagues to discuss the alleged dispute.

4. This is not the first time false rumors have been spread to bring into question the actions of the Armed Forces High Commands.

5. The real reasons for attempting to discredit and irritate the members of the Armed Forces must be investigated. This is a moment when the country needs moderation, balance, and the goodwill of all citizens, and one branch of the Armed Forces should not be set against another. It is also high time that the news reported by the press express the strictest truth, because news reported by the press influences public opinion.

FURTHER ON MINERS' STRIKE, GOVERNMENT ACTIONS

COB Decrees State of Emergency

PY291600 La Paz La Red Panamericana in Spanish 1130 GMT 29 May 87

[Text] The Bolivian Labor Confederation [COB] has decreed a state of emergency and declared labor organizations in permanent session. The decision, which was made by the COB executive committee yesterday afternoon, is the workers single response to the incidents in Parotani, where 2 peasants and an Army recruit died, COB sources said.

COB permanent secretary (Anibal Castanon) has referred to a report issued by the Bolivian Single Confederation of Peasant Workers.

[Begin (Castanon) recording] The report says authorities have refused to deliver the bodies of the murdered peasants and that the soldier killed himself because he refused to shoot at his people. The soldier was born in Cochabamba. [end recording]

The leader reiterated his criticism of the government. He concluded by saying that the problem of peasants is also the problem of all workers, as is stated in a previously released document.

Military on Alert in Potosi

PY291830 La Paz La Red Panamericana in Spanish 1700 GMT 29 May 87

[Text] The Potosi Single Trade Union Federation of Peasant Workers has decided to set up roadblocks as of noon today, in compliance with instructions from the Bolivian Peasant Confederation. A document stated that the decision was made in the wake of the failure of the deceitful negotiations between peasant leaders and the government. Among other topics, the document rejected land taxes and declared that they will not be paid, reiterated the peasants' position in defense of the fiscal [word indistinct] (?education), and expressed disagreement with the 3-year plan for the replacement of coca plantations. Thus far, no official information has been received on the establishment of roadblocks in Potosi.

Potosdi Prefect Armando Urioste Mendoza has told Panamericana that he was trying to initiate a dialogue with the peasant leaders in order to preserve public tranquillity and peace. The prefect stressed that city streets and department highways remain open. He concluded by saying that military and police forces are in a state of alert to immediately repel any attempt to set up roadblocks.

Cochabamba Reportedly Calm

PY291838 La Paz La Red Panamericana in Spanish 1700 GMT 29 May 87

[Excerpt] An atmosphere of absolute tranquillity has settled in Cochabamba after yesterday morning's violent incidents, which the public has deplored. The report filed by our correspondent in that department includes a complete view of the pacification process in the area. It should be noted, however, that peasant leaders, who have gone underground, have declared that the state of alert continues.

For their part, both Army and security troops remain in a state of alert in case of possible provocations. It has been reported that over 100 peasants have refused to return home in compliance with the instructions from their organizations, as a protest against yesterday's incidents.

Of the 500 people arrested yesterday, 22 remain in custody. Authorities have reiterated that the incidents were provoked by agitators who are linked with drug traffickers. [passage omitted]

Bedregal Views Incidents

PY300154 Madrid EFE in Spanish 2042 GMT 29 May 87

[Excerpt] La Paz, 30 May (EFE) -- Bolivian Foreign Minister Guillermo Bedregal today said that the drug traffickers paid and mobilized the peasants who on 28 May set up roadblocks on the road to Cochabamba.

In the Cochabamba settlement of Paratoni, police clashed with peasants, resulting in 2 deaths, several injuries, and 500 arrests.

In Bedregal's opinion, drug traffickers were responsible for the roadblock and the mobilization of the peasants. He added that the drug traffickers put 400 vehicles at the disposal of the peasants and paid each of them 50 Bolivian pesos (some $25).

Bedregal said that the events that occurred in Paratoni represented a counteroffensive by the drug traffickers. He added that "it was regrettable the peasants allowed themselves to be manipulated."

The peasants protest was against the reduction in the number of coca farms and against the 3-year antidrug plan. [passage omitted]

Antelo Discusses Report

PY301755 La Paz La Red Panamericana in Spanish 1130 GMT 30 May 87

[Text] The government has disclosed its final report on the incidents that took place a few hours ago in Cochabamba when members of the Armed Forces removed the roadblocks set up by peasants.

Information Minister Herman Antelo explained that circumstances surrounding the death of peasant Ponciano Salazar have been cleared up, and that 500 people arrested during the incident have been released. He added that only 26 remain in custody.

Here is Minister Antelo's report:

[Begin recording] I would like to disclose the results of the tests done on the peasant who died in Cochabamba. This report is complementary to that issued by the forensic surgeon; it gives the results of tests run on blood and gastric juices. I mention this because it has been established that there was a high level of alcohol in his blood and traces of cocaine were found. In order to wrap up all the events that took place in Cochabamba, the Information Ministry has issued a report that reads:

The incidents that took place in Cochabamba, ... [Antelo changes thought] I do not want to read the whole report because it is rather lengthy, but it explains how the dialogue started, how the peasants interrupted the dialogue by blocking the highways, how they promised to lift the blockade and did not do so; the efforts made by the Interior Ministry through its minister in Cochabamba to restore peace among the peasants, the actions carried out by the Armed Forces, which were by no means, violent as some try to pretend, but rather rational actions appropriate for the situation. The shots fired were fired by the peasants, who we do not believe are actually peasants but individuals connected to the drug trafficking world and ultra-leftists. The report stresses the government's desire to resume a dialogue and reach solutions or agreements between the peasants and the government. [end recording]

In conclusion, Antelo said that the government is willing to hold a dialogue with the peasants, but it is going not to tolerate acts of violence that hinder the process the country is experiencing.

The Single Trade Union Confederation of Bolivian Peasant Workers has disclosed that 500 peasants are fasting in Cochabamba. This voluntary hunger strike is taking place at several locations at university and church premises.

Peasant leader (Hugo Callo) said the blockades are being carried out in various points of the country and only last a short time to prevent clashing with members of the security forces.

REPORT ON SOCIALIST PARTY ONE INFIGHTING, SPLIT

PY302358 La Paz PRESENCIA in Spanish 19 May 87 p 12

[Text] The Socialist Party One (PS-1) has split again following strong disagreements between the PS-1 leadership and the PS-1 congressional bloc leaders.

Ramiro Velasco, German Gutierrez, and other leaders have denied the remark that Roger Cortez made to the press that a group of Socialists has been suspended from the party's ranks for violating party statutes and democratic centralism.

In a communique, Velasco and Gutierrez say that they will not hold a political debate, "because we are seeking to achieve the unity of Bolivian socialism."

Another document signed by Samuel Vasquez, Alex Aranda, Hugo Moldiz, and Dante Molina states that Velasco and Gutierrez have been suspended because in a note addressed to the National Electoral Court they "removed Eloy Romero and Mario Tallacagua from the national executive board that was elected during a party convention."

This document states that Roger Cortez Hurtado "remains the official spokesman for the PS-1 National Executive Board and the party line throughout Bolivia."

In conclusion, the document reasserts the decision "to maintain the unity of the left and the people whose indispensable needs are self-criticism, the reformulation of programs, the identification of principles, and the appropriate approaches."

BRESSER COMMENTS ON DEBT, ECONOMIC PLAN, IMF

PY301813 Paris AFP in Spanish 0412 GMT 30 May 87

[Text] Sao Paulo, 29 May (AFP) -- Finance Minister Luiz Carlos Bresser Pereira today said that Brazil will not sign a letter of intent or request a stand-by loan [preceding term in English] from the IMF to renegotiate its foreign debt of $110 billion.

Bresser told reporters that he plans to start the renegotiation of the Brazilian foreign debt with its creditors from international private banks after he concludes the economic plan he is drawing up.

The main goal of the plan, which will be ready late in June, is to get a trade balance surplus of $8 to $9 billion and economic growth from 3 to 5 percent for 1987.

Bresser added that he is going to tell the IMF and the World Bank about the plan, but he made it clear that this procedure does not mean going back to the IMF because he said, we are not going to sign a letter of intent or request a stand-by loan from that organization.

Bresser Pereira said that if the IMF decides to grant us credit and approves our plan, which is being drawn up in accordance with the country's interests and to guarantee growth, it will mean that the IMF changed its position, and that will benefit everyone.

On 20 February 1987, the Brazilian Government unilaterally suspended interest payments on its debt to the international private banks. However, it did not do so with the interest on the debt to international and government organizations. The minister said: There is no reason for a conflict with the IMF of which we are also a member.

Regarding the inflation rate which reached 20.96 percent in April, the highest inflation rate ever registered in Brazil, Bresser Pereira said that inflation has stabilized at 20 percent and that it will soon begin a gradual fall.

Bresser Pereira also said that the salary trigger, which is a salary adjustment mechanism that activates automatically when inflation exceeds 20 percent, will be maintained despite the belief of some experts who say that the mechanism is inflationary.

He concluded by saying that in order for the government to cut down public sector expenditures it is necessary that the private sector resumes investments and that consumers return to a normal consumption level.

MINISTER CASTELO SAYS CABINET RESHUFFLE OVER

PY301406 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 May 87

[By (Elisabel Ferich)]

[Text] Industry and Commerce Minister Jose Hugo Castelo Branco has confirmed that he will remain in his post. He said that the government ended the Cabinet reshuffle issue with the appointment of the new agrarian reform minister.

The Industry and Commerce Ministry story has ended. At the request of president Jose Sarney, Industry and Commerce Minister Jose Hugo Castelo Branco decided to remain in his post, thus ending the Cabinet reform issue.

Minister Castelo Branco will now try to get the approval of the Economic Development Council for eight of his ministry's priority programs. The programs will be implemented in the following fields: petrochemistry, fertilizers, paper, celluloid, and nonferrous metals.

The minister said he does not have any hard feelings against those who tried to remove him from his post. He said that such things are a normal part of political life, and that the president is the only person who can do as he wishes. Minister Castelo Branco said the follows:

[Begin recording, in progress] ... despite any petition, he alone decides on what is convenient for the country. The president is not a person who can be influenced easily, he decides on what he firmly thinks is correct. He is a man with a reconciliatory spirit, his style is open and democratic, but he only does what he alone wishes. [end recording]

Minister Castelo Branco also said that, in principle, he does not intend to make any changes in his ministry, only those who tendered their resignation will be replaced.

AIR FORCE TO PURCHASE 6 USED MIRAGE PLANES

PY300257 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 May 87 p 2

[Excerpts] Rio de Janeiro (AGENCIA ESTADO) -- The Brazilian Air Force [FAB] is negotiating the purchase of six Mirage III supersonic fighter aircraft from the Marcel Dessault company to replace units lost in recent years. The FAB High Command considers the Mirage essential because it is an aircraft designed both for air defense and for interception. A French loan will be obtained for the purchase of these aircraft.

The six aircraft (the contract has not yet been signed) will be assigned to the 1st Air Defense Group based in the city of Anapolis, Goias State. The French Air Force uses Mirage planes for air defense and tactical operations. [passage omitted]

The FAB prefers to purchase six used aircraft that would match the mileage of those now being used at the 1st Air Defense Group. Two of the six Mirages will be biplace [preceding word in English] (with two seats), which are designed for training pilots. The six aircraft are being negotiated at prices much lower than those of new aircraft. [passage omitted]

PRESIDENT SCHEDULES REGULAR TELEVISION APPEARANCES

PY300202 Brasilia Domestic Service in Portuguese 2200 GMT 29 May 87

[Text] On 1 June, President Jose Sarney will initiate a regular 10-minute program that will be broadcast over a national radio and television hookup every Monday night at 2030 [2330 GMT]. This Monday, President Sarney will be interviewed by Constituent Assembly delegate Helio Costa.

ARTICLE CONSIDERS U.S. ARMY SECRETARY'S VISIT

PY310245 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 May 87 p A4

[Text] U.S. Secretary of the Army John Marsh is scheduled to hold a meeting today with Brazilian Army Minister Leonidas Pires Goncalves. General Carlos Olvaro Guimaraes, the Brazilian Defense Ministry spokesman, told FOLHA DE SAO PAULO yesterday that Marsh has come to Brazil "to reassert the U.S. intention to continue negotiations on the transfer of technology that is of interest to the Brazilian Army." Marsh is a civilian who manages U.S. Army policy, but he is not in charge of operational matters, which are handled by a general.

Marsh's visit is a result of the U.S. Government's great concern over the ease with which Brazil has obtained technology outside its traditional suppliers. It is no coincidence that the visit is taking place a few days before the arrival in Brazil of Soviet Foreign Minister Eduard Shevardnadze, and even possibly of Soviet CPSU General Secretary Mikhail Gorbachev, who may visit Brazil before the end of this year. At that time Brazil will sign a wide-ranging commercial, economic, scientific, and technological cooperation agreement with the Soviet Union. This agreement, which will be signed on the first visit a Soviet leader will make to Brazil in 100 years, was outlined after the visit Brazilian Foreign Minister Abreu Sodre paid to Moscow last year.

It was not the rapprochement with the Soviets that has hastened negotiations on the military-industrial cooperation agreement that was signed in 1984 in Brazil by U.S. Secretary of State George Shultz, which up to now has not yet been implemented. The basic issue that caused the U.S. haste was the Brazilian Air Force Ministry announcement that it intends to purchase 110 F-7M "Airguard" hunter jet aircraft from China. Moreover, in the civilian sector the Brazilian "fascination" with Cuba, after the resumption of diplomatic relations, is another factor to add to the list.

John Marsh arrived in Brasilia yesterday. Last night he had dinner with Defense Minister Leonides Pires Goncalves and all the members of the Army High Command. Today, he is scheduled to hold only two meetings: the first with Defense Minister Leonidas Pires Goncalves and the second with the chief of staff, General Fernando Valente Pamplona. In the afternoon, the U.S. general [as published] will leave for Para, where he will visit the Carajas Project. Tomorrow, he will go to Belem, and then return to Washington. Yesterday, Marsh visited the Army Physical Education School and the Army Command and Staff School, both of which are located in Rio de Janeiro.

Marsh is visiting Brazil just 3 months after a visit by a U.S. delegation that conducted a vast survey of Brazilian technological needs. The naval area is where interest centers regarding the U.S. industrial-military agreement. This is explained by the Navy's almost complete dependence on international technology. Brazilian and U.S. Navy officers exchange visits byweekly.

The great obstacle to the implementation of the "memorandum of understanding" that the two countries signed in 1984 remains the U.S. fear that Brazil may later transfer the U.S. technology it acquires. Since Soviet bloc countries obtain almost all U.S. technology through third countries, the United States has conditioned this transfer of technology to supplementary "safety" clauses. This means that the sale of all weapons that are manufactured by Brazil with U.S. technology will have to be previously approved by the U.S. Government.

DEL VALLE HINTS AT REJECTING U.S. LETELIER REQUEST

PY292201 Santiago Domestic Service in Spanish 1700 GMT 29 May 87

[Text] Foreign Minister Jaime del Valle has admitted that the Chilean Government may give a negative answer to the U.S. request for the expulsion of two officers allegedly involved in the Letelier case.

In his reply to a question on a press report hinting at this possibility, Del Valle said the report could be correct. He added that early next week the Chilean Government will publicly announce its decision.

As the Foreign Ministry has reported, the U.S. Government requested that General Namuel Contreras and Colonel Pedro Espinoza be turned over to U.S. courts in connection with proceedings conducted in the United States for the murder of former Chilean Foreign Minister Orlando Letelier and his secretary Ronnie Moffit.

Minister del Valle said the Chilean authorities are studying the matter thoroughly and a decision will be made early next week. He noted that the Chilean decision will in no way affect relations with Washington.

[Begin Del Valle recording] I do not see why [it would affect relations]. They have made a request and we will answer it. We will present reasons, sound reasons. It is our right to do so. I do not see why anyone could be offended by this. [end recorded]

Commenting on the new list of 48 exiles who have been allowed by the government to return to Chile, Del Valle said:

[Begin recording] It is more proof that progress is being made in this area. The list of people prohibited from returning to Chile is declining. This decision reflects the spirit prevailing in the government. [end recording]

Regarding the group of exiled women authorized to return by the appellate court, Del Valle said that the Supreme Court, the main court in the country, has overturned the ruling and that the Supreme Court decision must be obeyed.

ARTICLE DISCUSSES 'CHANGES' IN U.S. DIPLOMACY

PY301600 Santiago APSI in Spanish 11 May 87 pp 4-7

[By Nibaldo Fabricio Mosciatti]

[Excerpts] Early in August 1986, U.S. General John Galvin, Commander in Chief of the U.S. Southern Command, visited Chile for the first time. He came to strengthen relations with Chilean military commanders. He spoke through a portable radio, via satellite, directly with the Pentagon from one of the Military School courtyards. After his departure, arms caches were found in the northern region. Gen Galvin said these discoveries "were the exclusive concern of the Armed Forces here." He used the word "exclusive" because it was being said that part of the responsibility for those findings was his.

Gen Galvin returned for a 5-day stay on Sunday, 3 May 1987. He came especially to improve relations with the Chilean Army commanders and to deliver a message to the Army. His visit was connected with the U.S. plan, already being implemented, to encourage Chile's return to democracy. The Reagan administration is concerned about the outcome of the Chilean crisis and is considering some ways to influence it. They say that Pinochet must be phased out: The Americans are saying that under no circumstances should the Chilean chief of state intend to remain in power beyond 1989.

With Gen Galvin's first trip to Chile, U.S. diplomacy initiated a much more discreet offensive than that it had been conducting against our country. Changes became obvious: Elliott Abrams, U.S. assistant secretary of state for inter-American affairs, stopped making statements urging the Chilean Government to take offensive steps toward democratization; and Ambassador Harry Barnes, so active until then, not only reduced his public appearances -- which had been such a source of irritation for La Moneda Palace -- but also his personal contacts with opposition leaders. The tactic of open pressure had failed, and it had to be changed. The U.S. diplomacy concluded that rather than clashing with an unyielding Pinochet, it had better try to persuade his base of support, his most solid pillar: the Chilean Armed Forces. It is working on this.

The U.S. proposal is inspired by fear. One of the most frequent arguments of the Reagan administration and its advisers is that the continuation of the present regime, and particularly that of Pinochet, only leads to further polarization of the country and creates conditions for the left -- "the Communist Party," Washington says -- to take advantage of such increasing polarization. This is how Washington puts it: "The longer Pinochet stays in power, the greater the possibilities of the communists taking power; the longer Pinochet remains, the stronger a revolutionary alternative becomes."

That fear is fed by ghosts. The U.S. State Department loses sleep over Nicaragua. It is frightened by memories of Somoza. The experience with Nicaragua is seen as a lesson. In the United States, they say that the support given to the Central American despot was a mistake because it helped create a revolutionary climate, which in the end, brought the Sandinists to power.

Based on that experience, Washington reached the conclusion that "unpopular" dictators must be removed from power. This conclusion was applied to Marcos and Duvalier. By now, Pinochet is already on the "unpopular" list.

It must be noted, however, that the "hemispheric interests of the United States" come first. In priciple, the most truthworthy allies to protect those interests are the local Armed Forces. [passage omitted]

At the meeting with Chilean Army generals on 5 May, Galvin explained that general policy and its application in Chile. The U.S. military chief spoke on how, in his view, the return of Chile to democracy should be done. He expressed his country's and "Europe's" concern over polarization in Chile, which, he noted, may lead to the "Nicaraguanization" of the country. He said that General Pinochet must not try to remain in power beyond 1989; that the Armed Forces must seek a candidate of consensus for Pinochet's successor, preferably a civilian, who may relieve tensions and give assurance to the men in uniform (and to the United States). [paragraph continues]

Gen Galvin said something else: Very likely, his country will insist on the extradition of Manuel Contreras and Pedro Espinoza so that U.S. courts can try them for their involvement in the assassination of former Chilean Foreign Minister Orlando Letelier. He did not just say this casually. The Letelier case and the Fernandez Larios "operation" are now a card being played politically in the context of the general strategy toward Chile.

The sentence against the Chilean officer and former DINA [National Intelligence Directorate] agent, which is considered to be "mild," contains an implicit message for the Chilean officers: There is no intention to bring uniformed men to trial, to persecute and humiliate them; the intention is to destabilize Pinochet to thwart his "projection" beyond 1989, and to safeguard the "hemispheric interests." This is how this double-track policy, which clearly surfaced last week, should be understood. While Gen Galvin was exerting himself to strengthen bonds (and interests) with the military, who, he said, "want to return to democracy," the Fernandez Larios case served to put the Chilean Government on the dock. The prosecutor, Joseph Di Genova, in his recommendations to Judge Parker, stated that the confession of the former Chilean officer "could serve as public testimony of how the Chilean Government makes use of institutionalized crime." This is simply a stick for the government, a carrot for the military. [passage omitted]

The information about this U.S. plan which seeks a solution to the Chilean crisis, without Pinochet, while leading to a democracy through negotiations between civilian and military men, came from European diplomatic circles. This happened because the U.S. Government has also begun a campaign to convince the European community of the need to support the U.S. plan. The message is the same: Recognize the need for a way out without Pinochet, but include the military men as tutors of the process. This means the immediate exclusion of the left as valid representatives of the process and accepting a representative figure who would give guarantees to the military men and who must be in the center and right of the political spectrum. It has been said in the diplomatic world that with some exceptions, such as Spain and Italy, the U.S. proposal has done well and is beginning to be accepted "with realism" by other European countries. The Vatican has also received Washington's message. [passage omitted]

GOVERNMENT AUTHORIZES 48 EXILES TO RETURN

PY292131 Santiago Domestic Service in Spanish 1700 GMT 29 May 87

[Text] The government has authorized the return of 48 people according to an announcement made by Interior Minister Ricardo Garcia, who disclosed the new list. The minister added that new cases are under study in accordance with the instructions given by the president.

[Begin Garcia recording] Last week I said that I would have a new list of people that will be allowed to return. This new list includes 48 names. [end recording]

Minister Garcia also delivered a bill which has been prepared by the committee in charge of constitutional laws, which regulates legal matters.

OPPOSITION 'GUESTS' INTERVIEWED IN MOSCOW PAPER

For an interview with Sola Sierra, chairman of the association of relatives of people who have disappeared, and Eduardo Valencia, chairman of the Santiago inhabitants' coordinatin bureau, published in Moscow IZVESTIYA in Russian on 19 May, see page K 2 of the 28 May Soviet Union DAILY REPORT.

SOVIET DEPUTY SAYS CPSU'S GORBACHEV TO VISIT

PY300210 Paris AFP in Spanish 0103 GMT 30 May 87

[Text] Lima, 29 May (AFP) -- Petr Luchinski, a Soviet deputy from Tajikistan, tonight announced that CPSU General Secretary Mikhail Gorbachev intends to visit Peru when he makes his good-will tour to several Latin American countries.

The Soviet legislator, who heads the Soviet delegation attending the 9th Peruvian Communist Party (PCP) Congress being held in Lima, did not specify the date or give any details about the tour Gorbachev will make to Latin America.

Commenting on Soviet-Peruvian diplomatic and commercial relations, Luchinski said that they are normal and they are aimed at increasing bilateral trade.

Regarding international policy issues, Luchinski said the USSR is willing to withdraw its nuclear weapons from Europe if such an agreement is reached with the United States.

He added that the USSR will withdraw from Afghanistan when a political solution is achieved and the United States ceases to supply tactical weapons to the Afghan mujahidin.

INTERIOR MINISTER ON CAPTURED 'TERRORISTS'

PY302250 Lima Canal 9 Television in Spanish 0340 GMT 30 May 87

[Address to the nation by Interior Minister Abel Salinas on 29 May; place not given - live or recorded]

[Text] Citizens. Recently, Peru has witnessed a police problem that has been overcome, happily, but firmly.

You must also know that the Interior Ministry has carried out other actions because of a reality that cannot be ignored: the presence of groups that wish to destory our country. In our constant effort to defend the public from terrorism, the Interior Ministry has captured more subversives and made considerable progress about which I will now inform you.

The map I am showing you now shows the structure of the most relentless and bloody subversive group: the Shining Path. At a national level, the Shining Path is directed by a central committee, which in turn directs regional committees in the north, south, center, principal, Lima and Callo Metropolitan, and western regions.

The Principal Region Committee operates in the Ayacucho and Huancavelica Departments. The Armed Forces Joint Command is in charge of the operations carried out in this region. The Lima and Callo Metropolitan Committee is divided into six zones, north, south, center, east, west, and Chosica. The areas marked in blue refer to the areas where criminals were captured between 15 February and 15 April this year. They have been placed at the disposal of the courts. I spoke about these criminals in a previous report.

The areas marked in red show us the areas where the following terrorists were captured from 15 April until today.

First, I will refer to the operations carried out by the police in the Metropolitan Committee region.

The following individuals who were captured were leaders of the Lima Metropolitan Committee: (Edmundo Daniel Cox Beauceville) and Victor Zabala Catano, CANTUD [expansion unknown] professor.

It was verified that (Edmundo Cox) is directly responsible for the Lima Metropolitan Committee and has planned several terrorist attacks in the capital. Zabala Catano is connected to an international terrorist movement headquartered in Paris, France.

This committee is the most important Shining Path committee after the Principal Committee of Ayacucho and Huancavelica.

Central Region: This armed group handled propaganda and support for the area surrounding Lima. The group was comprised of Magali Amelia Reina Quezada, alias Adriana; Luis Angel Perez Zapata, a San Marcos University student; Orlando Hilares Catalan, alias Samuel, also a university student; Elvio Aponte Collazos; Luis Antonio Flores Ramirez, alias Adolfo; (Flor de Maria Bello Falcon), alias Nadia; (Elsa Marina Muncebay Calongos), alias Elsa; (Dimas Alfredo Aponte Silva); Amelia Victoria Belarde Gonzalez; Margot Cecilia Dominguez de Rosco; Olga Graciela Nomura Cojata, a San Marcos University student; and Martin Salinas Arroyo, alias Alex.

Western Region: The following terrorists operated in El Callao Province: Jorge Augusto Perez Velazquez, alias Javier; Luis Rosendo Pinedo Marique, alias Felix; Jorge Hidalgo Marchan, alias Roque; Rosario Margarita Salinas or Alda Beltran Cordoba, alias Sandra; and (Daneil Hualpa Moyahuanca)

These criminals are responsible for the murder of two Peruvian Army officers and five civilians during the attack on El Piano Restaurant in Rimac. They are also responsible for the following crimes: the attack on the Pilsen Beethr Company in El Callao, the fire in the Bata Shoe Factory in El Callao, and the theft of dynamite from the (Huarimayo) Mine in Canta Province. They also committed the following murders: three Republican Guards in the Daniel Alcides Carrion Hospital, Navy officer (Juan Asto Alanos), Civil Guard Sargeant Santos Enrique Aranda de la Cruz, and Civil Guard (Eladio Jauregui Degochea del Aguila). The same criminals also carried out several dynamite attacks on stores and offices of political parties. Grenades and two guns were confiscated from them.

Chosica Region: Victor Zabala Catano was chief of this region. This armed group was comprised of Julio Hugo Aparicio Alvares; Edgar Eduardo Huaman Arrieta, alias Ivan; and Amadeo Flores Trujillo, alias Pedro, a San Marcos University student. They carried out dynamite attacks and blew up high tension towers in Nana Hill. Many explosives were confiscated from them.

Now, I will discuss the rest of the country.

Northern Region Committee: It consisted of a death squad that operated in La Libertad Department. Fourteen of its members were captured and two others died in a clash with police.

The names of the arrested criminals are: (Convencion Pio Azcate Polom); (Simon Valverde Cegarra); Segundo Julio Enrique Castro, alias Wilder; Victor Maldonio Salvatierra Alayo, alias Raul; Eugenio Jara Reyes; Alejandro Sanchez Villarroel; Claudio Pena Cruz, alias Pena; (Alejandrina Carvajal Calipuy), alias Aleja; Santos Justo Pena Rios, alias Ronald; Raimundo Orna Garcia, alias David; Pedro Sanchez Perez or Camilo Santos Vera, alias Camilo; Emilio Santos Alvarado Escobedo; Maria Luisa Ruiz Altamirano; and Helena Sara Otiviano.

Terrorists Francisco Solano Saldivar Llaure and Marina Otiviano Chavez died in the clash with the police in the northern region.

These 14 terrorists are responsible for the deaths of the following people: (Sana Marinos Alayo), Erasmo Lavado Griseno, Simon Menendez Meza, Julio Narvaez Valencia, Cirilo Menendez Narvaez, Mantufaro Gonzelez Valverde, and (Tulpo) Justice of the Peace (Herman Otiviano Alayo).

The same terrorists also attacked the medical unit and post office of (Tulpo) in Santiago de Chuco Province. The following weapons were confiscated from them: a ZB-30 submachinegun, three Star submachineguns, and one MCP submachinegun.

Central Region Committee: This committee consisted of a death squad that operated in Junin and mainly Huancayo. Six of the 12 criminals have been captured, and 3 of those who escaped have been identified. They are: Abel Romero Nunez, alias Jose, who was the political chief; Juan Carlos Romo Orellana, alias Juan; Ruben Hugo Paucar Valdin; Manuel Allaga Chamorro, alias Ali; Arcadio Marciano Borja Castro; and (Ruth Paredes Cos), alias Ruth.

They murdered the following people: Republican Guard Sergeant Ricardo Guzman Talante; Junin Medical Unit Directors (Jose Manual Agurto Tello) and David Guerrero Duarte; Peruvian Army Commander (Pablo Segundo Rivera Idrogo); Civil Guard Corporal Teofilo Tolentino Cruz and his wife Carmen Madueno Rodriguez; Civil Guard Major Emilio Chumbez Mori; Dr Felix Ortega Arce, president of the Junin CORDEJ [expansion unknown]; Municipal Policeman Teodoro Alejandro Quistevilche; engineer (Roberto Berroth y Mendez), the chief of a popular cooperation unit; and a so-called Comrade Pedro.

The criminals also are responsible for dynamite attacks against the following: the Interbank office, the former Civil Guard garrison in the Morelo Market, a juvenile courthouse, the Aguirre Store, the Cristal beer dealer, offices of the Banco de Credito and Banco Popular, and the El Tambo townhall. They also placed a car bomb on the Montero-Rosa Road in el Tambo, blew up high tension towers in Huayucachi District, and attacked the homes of the mayor of Vichilcas and of Dr Raul Pena Martinez.

Southern Region Committee: This committee operated in Puno. On 26 April 1987 there was an armed clash in the San Juan de Salinas district, in (Acandar) Province. Seven subversives died in this clash, two of whom have been identified. They are (Andres Correa Tesquen), alias Carlos; and Manuel Delgado Atuche, alias Anselmo. Five submachineguns and two machineguns were seized from them.

(Andres Correa Tesquen), alias Carlos; Edmundo Cox, and [first name indistinct] Mirian Lezcano Anchieta, alias La Gringa; were arrested in November 1986. They were arrested as they were trying to organize the Puno Zone Committee.

As can be seen, 53 terrorists have been captured in the past 40 days. We have managed to disorganize an important sector of this criminal organization. These results, added to previous arrests, have allowed us to deactivate the northern and southern regions of the Metropolitan Region Committee. It must be pointed out that many of these arrests were made with the cooperation of citizens who complied with their civic duty. We reiterate that the citizenry's cooperation is fundamental in the struggle against terrorism.

Peruvians, this surely is a long road. But we are also sure that with the support of the people who voted to live in democracy, terrorism will be defeated. Thank you.

ECONOMY MINISTER DISCUSSES INFLATION, GROWTH

PY291957 Lima RBC Television in Spanish 0420 GMT 29 May 87

[Economy and Finance Minister Luis Alva Castro speaking on the "Living" television program; date and place not given — live or recorded]

[Excerpt] I want to point out that the objectives of the economic program, in view of the current situation, were to curb inflation, reactivate the national economy, improve the living standards of all Peruvian citizens, gradually improve the distribution and redistribution of income, and also to recover the sense of order and productive work, the moral standards and justice throughout the entire country.

I want to refer to an important point that cannot be overlooked: When we came to government we inherited an annual inflation rate which could have amounted to more than 250 percent, and we now have the figures of the inflation rate for the past 12 months. In August 1955 the inflation rate was around 185-187 percent. We have begun to curb this rate with our anti-inflationary policy to the point that, in December 1986, the annual inflation rate amounted to 63 percent.

In January, February, March, and April the inflation rate seemed to continue like the final months of 1986 but the increase was not great enough to cause concern or create the situation that had been predicted by some, that inflation would grow over government estimates.

I want to tell you that if we compare the inflation rate for January, February, March, and April of 1987 with that of January, February, March, and April of 1986 and refer to the statistics the difference is not that great. Therefore, there is no reason to worry but rather to impose a strong anti-inflationary policy that will prevent us from reverting to past levels.

Another issue to which I want to briefly refer is the growth in national production. For this we have the following figures. In 1986 it grew by 8.5 percent. This is a record figure which no other Latin American country was able to equal in 1986. [passage omitted]

INTERIOR MINISTER CLAIMS SUBVERSION INCREASING

PA251838 Madrid EFE in Spanish 0126 GMT 25 May 87

[Text] Caracas, 24 May (EFE) -- Interior Minister Jose Angel Ciliberto has charged that a subversive plan to destabilize Venezuelan democracy "is afoot." The minister insists there has been a resurgence of subversion, while opposition parties refuse to grant credibility to Ciliberto's charge after he appeared before the Congress last week to present alleged evidence available to the government about the existence of a destabilization plan.

Ciliberto has been harshly criticized by politicians of the opposition who believe that the minister only presented a few documents that do not substantiate the official charge.

For his part, the Social Democratic politician reiterated that recent demonstrations that have occurred in various parts of the country are eminently political.

For Ciliberto; those demonstrations "seek to disrupt public order and do not convey any democratic feeling," while the opposition parties, such as the Social Christian COPEI, claim that these incidents protest the current national economic crisis.

The official reiterated that the offered vast amounts of evidence at the Congress (documents, photographs, and publications) of the existence of "a very careful, articulate plan of subversion." He said that his evidence's failure to convince the opposition is not the important thing, because his duty is to inform the country.

ARMY, AIR FORCE CONDUCT 'CARIBE-1' EXERCISES

PA301300 Caracas EL UNIVERSAL in Spanish 21 May 87 pp 1, 16

['Special' report by Jose Hurtado]

[Text] El Pao, Cojedes -- The skill and offensive and defensive abilities of the Venezuelan Army were tested during the "Caribe-1" military exercises that took place in this region and lasted 2 days.

More than 5,000 men, including officers, noncommissioned officers, privates, and 500 Military Academy cadets, all of them organized as an infantry brigade, spread over the thousands of hectares of El Pao, whose characteristics permit the deployment and operations of the various Army units.

The El Pao area, now part of Los Caribes Military Fort, has been used for 30 years for exercises and to train soldiers. This is an unpopulated area, where heavy weapons and equipment can be used. In this way, officers and soldiers can practice their knowledge and apply their experience in the field.

El Pao has been turned into a training ground for offensive and defensive operations. It was officially inaugurated yesterday by Division General Eliodoro Guerrero Gomez, general commander of the Army, who was accompanied by other members of the Army High Command who directed the "Caribe-1" exercises carried out with the support of the Venezuelan Air Force and a flight of ultramodern F-16 fighters.

Army Brigade General Mario Lizardo Mendoza, who directs the exercises, told reorters that the exercises have been basically organized to confirm in the field the suitability of this training area for an offensive and defensive operations brigade. This area was suggested by Gen Guerrero as a permament exercise site.

Reporters from various Caracas news media were invited. They were flown to witness the exercises aboard a modern AS-61D helicopter.

At El Pao, they met Gen Mendoza and Army Brigade General Hernan Jose Vasquez Pena director of the Military Academy, who were accompanied by Colonel Richard Salazar, commander of the cadets unit, and Colonel Isbel Tortolero, military training chief.

General Lizardo Mendoza stressed that the actions included tasks that are performed by the Armed Forces, specifically by the Army, supported by Air Force combat planes, the modern F-16, in simulated offensive and defensive war operations as applicable to an infantry brigade.

The main objective is to prepare and train personnel and to ensure the proper use of weapons and equipment.

At the same time, the exercise is to evaluate the readiness of Army units to face any future eventuality. In the same manner, the officers (colonels and commanders) who act as referees make a final evaluation of the participants, particularly of the cadets taking part in the operations. The evaluations are then brought to the attention of the Army's general commander, who will analyze them and decide on the pertinent actions.

Colonel Pablo Luis Figueroa Vaamonde, control chief of the "Caribe-1" maneuvers, gave the details of the operation, which consisted of a simulated attack by a red country on a blue country. He identified the positions on a map, showing the advance of the units, with Air Force cover, until they reached "Objective 1," as had been planned by the command of the brigade in action.

Journalists were taken to the "starting point" near the theater of operations, passing through minefields and zigzagging through the artillery pieces, to have a closer view of the action. Of course, maximum precautions were observed.

The zone was divided by sectors, and a unit was sent to each sector. Each unit would carry out its exercises using its weapons, ranging from rifles to the powerful 105-mm long-range cannon. The first phase of the exercises was exclusively for offensive operations, which ended with the capture of the targets, with the understanding that the training field is also appropriate for defensive exercises and operations.